FBIS DAILY REPORT

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1985-89 MEDIUM-TERM ECONOMIC PLAN ANNOUNCED

PY081745 Buenos Aires TELAM in Spanish 0216 GMT 8 Jan 85

[Text] Buenos Aires, 7 Jan (TELAM) -- The government today announced its medium-term economic plan which is meant to overcome the country's economic emergency and recover our growth capability. This will be achieved by increasing the exports of agricultural, primary, and hydrocarbon products, and increasing private and public investments, as well as employment.

The Planning Secretariat headed by Juan Sourrouille, drew up this document and gave copies of it to the business leaders who participated in the socioeconomic contract talks, in which the leaders of the General Confederation of Labor (CGT) did not participate. The program will be implemented during the 1985-89 period, and it outlines an economic strategy that will be enriched by the participation of representatives of the general public and social sectors. Thus, the efforts of the plan will be doubled through a constructive dialogue.

The plan acknowledges that 10 years of stagnation and high inflation have resulted in inertia, mistrust, and uncertainty. It also states that the foreign debt is not the cause of the Argentine people's problems, but rather the lack of an ability to solve them. The debt interest payments use up resources that could otherwise be applied to investments and growth. The payments, apart from reducing the Argentine people's income which could otherwise be used to save or spend, also represent an additional burden on the treasury.

The document says that Argentina must undertake a joint action together with the other Latin American countries to modify, as far as possible, the prevailing rules of international economic order. Within this framework, and to achieve this goal, the simultaneous expansion of exports and investments plays the main role, because this will contribute to paying the debt interest and permit an increase of imports, thus creating conditions for economic growth.

In order to reach its objectives, the program recommends establishing a high and stable exchange rate to favor the export strategy. It also proposes tax reform to make growing investments compatible with real salary increases, and a financial reform to contribute to overcoming the obstacles that currently affect savings and investments.

The chapter on political guidelines says that the level of the exchange rate must be protected from any accidental inflationary increase. As long as the exchange rate is part of a viable and coherent policy regarding economic indicators, it will control the outflow of capital from Argentina without any need for high interest rates, which have great recessive effects.

Although no real salary increases are planned for 1985, a moderate salary increase (an average of 2 percent annually) will be granted to the public sector as of 1986 and the percentage may increase if public enterprises are transferred to the public sector.

With regard to tax reform, the program proposes that additional funds be obtained from income and capital gains taxes and that to do this it will be necessary to update current regulations.

Regarding reforms in the public sector, the program proposes that in the coming years the state gradually eliminate those activities and services that are not justified. It also says that the financial system should be at the service of production and not speculation, as it has been since the mid-1960's. In order to increase the profits of the agricultural and livestock sectors, measures must be taken to gradually replace export duties with property taxes. In addition, the relative price for inputs must be reduced, and the systems of transportation and marketing inside and outside the country must be improved to reduce the costs created by middlemen.

The program points out the need to implement new technologies, to improve the sector's negotiating position, and to develop a new infrastructure for the storage and transportation of grains.

In the industrial sector, the economic plan proposes the implementation of a reorganization process for expanding the production of manufactured products for the main purpose of increasing exports and for internal productive investment. Short-range measures will be implemented to increase industrial exports. To implement medium and long-range measures it will be necessary to apply new technological developments to increase the level of production and efficiency.

With regard to the promotion of exports, the program proposes a real, high, and stable exchange rate; an increase in reimbursements; competitive financing at the international level; a regulation for the temporary import of inputs needed for exports; the simplification of paperwork; the creation of marketing enterprises; provision for the opening of new markets, and special programs for exporting technology. The economic program proposes customs tariff protection, the selective substitution of imports, and an industrial reorganization among state and private enterprises and workers in relation to activities that have grown out of proportion. The program points out that the enterprises to be promoted will be selected in accordance with their export capacity.

With regard to technological development, the program says that the objective is to share the risks in projects aimed at achieving a medium to long-range return and to ensure the effective applicationof technology in the productive process. The program also emphasizes the need to promote the activities of small and medium-size enterprises. In the energy field, the document points out that medium-range development plans will give emphasis to the role of natural gas as a substitute for oil by-products.

Under the subtitle "Strategic Guidelines for Economic Growth in 1985-1989," the document says that the main effort in the oil sector will be to increase reserves. In this regard, it points out that the high prices of oil by-products will aim not only at controlling the growth of demand but also at making it possible to raise the necessary resources to make exploration investments profitable.

In the field of electricity, the program says that the use of thermal plants is beginning to be an attractive alternative. On the subject of nuclear power, the general situation of this sector indicates that the original nuclear program must be continuously updated. This means that new nuclear plants should be smaller to ensure continued growth in this field, especially to preserve the investments made in the training of scientific and technical personnel. The program also says that the construction of nuclear plants will have to be decided in accordance with the evolution of demand and the costs of other possible energy sources. The important progress made in nuclear development will have to realistically face the possibility of extending its activities by exporting technology and advisory services.

The economic program estimates that overall economic growth for the 1985-89 period will be about 20 percent. The document adds that increased investment is a principal characteristic of the economic program and that it is an indispensable factor for achieving economic growth in the near future and establishing the necessary basis to achieve sustained economic expansion in the long term.

The annual economic growth rate for the 1985-89 period is estimated at about 4 percent, and investments are estimated to grow by 6.2 percent of the GDP in comparison to the present rate. This implies that during the same period fixed investments will experience an annual cumulative growth rate of 11.9 percent. The annual growth rate for this period is estimated to the 13.3 percent for private investments and 10.6 percent for public investments.

But it is noted that since investments in the private sector are not expected to increase much during 1985, it is believed that the 1985 public sector investments will have to experience a growth rate higher than the average estimated for the 5-year period, so as to promote the take-off of Argentina's economy.

Regarding consumption, it is noted that drastically reducing the level of consumption through a sharp decline in real salaries has not been considered, since it would not be fair to burden the low-income sectors with the cost involved in the process of strong economic growth in the overall process of accumulating capital.

It is estimated that exports will increase at an average rate of 7.9 percent during the 5-year period. Since the export of services is expected to grow at an annual rate of 5 percent, it is estimated that total exports will increase by 7.2 percent. It is also estimated that agricultural exports will increase at an average rate of 6.4 percent during the 1985-89 period. The document states that this seems to be a reasonable growth rate based on the experience in this area in the last few years, and in view of the proposed changes in the economic policy.

The program estimates that industrial exports will increase at an average rate of 11.9 percent. It is noted that the proposed economic plan foresees that improved efficiency in the sector will enable it to be more competitive during the 1985-89 period. It is estimated that exports of petroleum and petroleum by-products will increase 16.7 percent and that exports in this sector will more than double in real terms during the 5-year period.

The economic plan estimates that imports will increase at an average annual rate of 10.7 percent while that of services will increase 4.7 percent. Regarding the balance of payments, it is estimated that the dollar will be devalued at the international level, and that therefore there will be a drop in international interest rates. Consequently, throughout the 5-year period our current account will show a decrease in our deficit, which in 1986 will total $1 billion.

It is noted that the nominal value of Argentina's foreign debt is increasing at an average annual rate of 1.2 percent, which results in a sharp fall in real terms. In fact, in 1989 Argentina's foreign debt will be 18 percent less in real terms than that of December 1984.

Regarding the interrelation between the foreign debt and exports and the GDP, it is noted that they will decrease from their current rates of 4.70 and 0.68 to 2.75 and 0.47, respectively. The decline in services on the foreign debt will be even greater because of an increase in exports and the GDP and because it is estimated that international interest rates will fall.

Regarding employment, the economic program estimates that throughout the 5-year period it will not only be possible to incorporate the new workers that annually enter the job market (163,00 persons) but also to absorb some of the currently unemployed workforce. But this medium-term strategy may be highly questionable if the flight of capital does not cease -- Argentina has become a country that exports private capital which seeks more security in strong currency markets -- and inflation, which undermines the stability of relative prices, is not curbed.

The document adds that to overcome the crisis and recover the capacity to achieve economic growth it is necessary not only to have a proper strategy but at present it is also essential to restore the sense of collective responsibility. The economic program says that the strenghtening of democracy and the resolution of the crisis will be achieved if in addition to demanding their rights, the various social sectors also fulfill their duties.

To do this it is essential to change those habits and attitudes that have stagnated Argentine society, condemning us to helplessly witness the worsening of our difficulties without being able to confront them. The document points out that no particular sector should be charged exclusively with the entire responsibility, and it exorts businessmen, workers, and leading groups in general to make a joint effort. Within this framework the role of the government is to implement this program, which aims to use the most efficient and fairest means to meet the demands of the country, the document says.

MID Leader Criticizes Plan

PY082302 Buenos Aires TELAM in Spanish 1307 GMT 8 Jan 85

[Text] Buenos Aires, 8 Jan (TELAM) -- Rogelio Frigerio, leader of the Integration and Development Movement (MID), today commented that the basis of the economic plan the government issued yesterday is mistaken because those countries that need to export do so because their government officials are willing to promote the productive apparatus and not because they accept the challenge.

In answer to a question from Radio Mitre, the MID vice president and former presidential candidate stated that whoever produces, exports. Nations can export when they produce and grow, but this is something that is not provided for in any paragraph of the plan.

Frigerio added that the plan makes projections for an annual growth in the GDP of 4 percent while the same authorities last year made projections of a growth in the GDP of 5 to 6 percent and only a modest 2-percent increase was reached. This means that the problem and its solution are being viewed from the wrong perspective.

Frigerio noted that although the problems were not created by the Radical government, this government has done nothing to change the economic policy that has led the country to this situation.

The MID leader concluded by stating that "only a plan to expand production can bring peace to the country in the first place and in the second place grant our creditors the certainty that with the creation of wealth we will create genuine means of payment." We will not free ourselves from this situation as long as no changes are made in the economic policy that follows Martinez de Hoz' [former economy minister during the de facto government] model or in the economic policy of the Radical government.

PERONIST YOUTH GROUPS DENOUNCE PARTY ELECTIONS

PY090050 Buenos Aires BUENOS AIRES HERALD in English 8 Jan 85 p 7

[Text] Representatives of several Peronist Youth Groups (JP) yesterday held a press conference during which they condemned the December 15 party elections for "not interpreting the meaning of the Peronist bases," and announced a meeting to take place on January 26 in Cordoba.

The announcement was made by Patricia Bullrich and Pablo Unamuno, who explained that their sectors had approached the group headed by Dante Gullo to get him to join the meeting.

However, towards the end of the conference Dante Gullo made an appearance, causing some confusion at the conference table. He was then invited to participate in the meeting to take place at the end of the month, but he declined. He explained that the Unified JP would not form part of the Cordoba meeting as it would clash with meetings held simultaneously by his followers in other provinces.

He pointed out that the meeting was "following the game of the old and worn-out party followers," and warned of the need to avoid being conditioned by any internal movement, in clear reference to Patricia Bullrich's adherence to the Committee of the 25 and the Unity and Solidarity Movement (MUSO).

Meanwhile, the executive board of the Peronist dissident group led by Senator Oraldo Britos held a meeting with 11 of the 12 Peronist governors to make arrangements for the party congress to be held on February 2, "probably in the city of Santiago del Estero," said Britos. The Peronist legislator denied any contact had been made with the group headed by Santa Fe Governor Jose Maria Vernet and Herminio Iglesias. He explained that "as we do not recognize being represented by the colleagues elected in the congress on December 15, no negotiations can take place other than that they join (our) group."

Court sources said, however, that electoral judge Juan Fegoli could soon announce a conciliation audience between the Peronist group of authorities elected during the December 15 congress held at the Odeon Theatre and the congressional dissidents. According to the sources, the conciliatory gesture would establish the mechanisms to organize a new congress to elect Peronist Party authorities based on agreements reached between the two parties, thus avoiding a court decision on the case.

Meanwhile in Mar del Plata, Peronist provincial Senator Luis Macaya forecast his party's defeat during next November's legislative elections. Macaya stated Peronism "cannot capture those disappointed with President Raul Alfonsin's government" because "it has its own internal disappointment."

BRIEFS

SIDE UNDER SECRETARY RESIGNS -- Buenos Aires, 26 Dec (DYN) -- It was officially reported today that the government has accepted the resignation of Secretariat for State Intelligence Under Secretary Nicolas Rodriguez. [Excerpt] [Buenos Aires DYN in Spanish 0055 GMT 27 Dec 84 PY]

ARMY OFFICERS ASSUME POSTS -- Bahia Blanca, 26 Dec (TELAM) -- Brigadier General Leopoldo Hector Flores today assumed his post as deputy commander of the V Army Corps. Colonel Eduardo Armando Castaing also assumed the post of chief of staff of the unit, and Colonel Enrique Jorge Bianchi became commander of the 11th Infantry Brigade in Rio Gallegos. [Summary] [Buenos Aires TELAM in Spanish 0047 GMT 30 Dec 84 PY]

NEW SOCIALIST PARTY — Mar del Plata, 4 Jan (TELAM) -- Socialist leader David Tieffenberg announced here today the creation of the 1 May Socialist Party. The majority of the Socialist Confederation have joined the new party, whose leaders are, among others, Ronaldo Roman, Arnaldo Roman, and Perez Crespo. [Summary] [Buenos Aires TELAM in Spanish 1505 GMT 4 Jan 85 PY]

CHILEAN AIRLINE FLIGHTS -- Ushuaia, 4 Jan (TELAM) -- The Chilean airline Aeropetrel today began flying the Punta Arenas (Chile)-Rio Grande (Argentina) route three times a week. [Summary] [Buenos Aires TELAM in Spanish 2347 GMT 4 Jan 85 PY]

FOUR DRUG TRAFFICKERS EXTRADITED TO U.S.

PA052301 Madrid EFE in Spanish 2158 GMT 5 Jan 85

[Text] Bogota, 5 Jan (EFE) -- The Colombian Government today delivered to the United States four citizens whose extradition had been demanded because of drug trafficking charges. This was confirmed by Justice Minister Enrique Parejo Gonzalez who said that the concession was made "so that these people can be tried in the place where they committed the crimes they are accused of."

Those extradited are: Hernan Botero Moreno, Said Alberto Pabon Jatter, Nayib Ricardo Pabon Jatter, and Marco Fidel Cadavis Calle. They left the Catam Military Airport in Bogota for Miami at 1400 GMT aboard a Colombian Air Force Hercules plane.

BOMB EXPLODES AT U.S.-RUN LANGUAGE SCHOOL

PA082341 Paris AFP in Spanish 2131 GMT 8 Jan 85

[Text] Bogota, 8 Jan (AFP) -- Three injured persons and much damage was the result of a dynamite attack on the Meyer Institute, a U.S.-run language school which is located on one of the main avenues in downtown Bogota.

Four fire engines are at the scene of the attack while policemen are keeping away the curious onlookers and directing traffic away from the area.

According to early reports, several unidentified persons entered the building and left a bomb in one of the second floor bathrooms. Its explosion destroyed walls and glass.

Two of the injured people are maintenance workers for the Meyer Institute, and they were immediately taken to the hospital.

The explosion occurred shortly after 2030 GMT and no terrorist group has claimed responsibility, although certain press media have said that this could be the response of the drug mafia for the recent extradition of four Colombians, as requested by the U.S. Government because of their involvement in drug traffic.

ARMY DISCOVERS WEAPONS FACTORY IN MEDELLIN

PA090437 Bogota EL SIGLO in Spanish 6 Jan 85 p 1

[Text] National Army troops discovered another modern and sophisticated weapons factory yesterday during a search operation carried out at an auto shop located in southern Medellin. This resulted in the arrest of six people and the confiscation of a large number of weapons and documents belonging to rebel organizations.

General Rafael Padillar Vergara, commander of the National Army's 4th Brigade reported that the modern and sophisticated weapons factory operated camouflaged as an auto shop and supplied weapons to the self-styled Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN) and the 19 April Movement (M-19).

Partially assembled weapons and fragmentation grenades were confiscated during the operation, as well as four submachine guns. Parts for G-3, FAL, FAV rifles, M-1 carbines, shotguns, revolvers, and pistols were also found.

POLICE DISCOVER ARMS CACHE IN BOGOTA HOME

PA052304 Buenos Aires LATIN in Spanish 0749 GMT 5 Jan 85

[Text] Bogota, 5 Jan (REUTER) -- Colombian police discovered a large cache of weapons in a house in Bogota owned by a leftist rebel group which refused to sign a truce with the government. The arsenal, discovered as a result of an accidential fire in the house, belonged to a dissident faction of the Revolutionary Armed Forces of Colombia (FARC), police disclosed last night. The weapons seized include no less than nine submachine guns, a mortar, hand grenades, pistols, dynamite, home-made bombs, and bazookas. Police Chief Victor Delgado told reporters that this was the largest arms discovery in the capital. Police reported that the five people who occupied the house fled.

The FARC was one of the three largest guerrilla groups that signed a 1-year truce with the government in 1984.

GUERRILLAS ATTACK CITY IN CAUCA DEPARTMENT

PA061900 Hamburg DPA in Spanish 1901 GMT 5 Jan 85

[Excerpts] Bogota, 5 Jan (DPA) -- Last night a heavily armed guerrilla group attacked Santander de Quilichao, a city of 40,000 inhabitants and the second most important in southwestern Cauca Department. As a result of this attack, 1 person died and 20 were wounded.

The National Police headquarters in Bogota initially attributed the guerrilla attack to a 19 April Movement (M-19) column. The attack was actually carried out by a force of between 100 and 400 men who, according to contradictory sources, belong to the clandestine Ricardo Franco and Quintin Lame fronts. Both are dissidents of the so-called Revolutionary Armed Forces of Colombia (FARC), pro-Soviet. FARC, the M-19, and smaller revolutionary organizations have signed a peace agreement with the government of President Belisario Betancur.

The attack on Santander de Quilichao took place only a few hours after a provisional agreement was reached to put an end to the bloodly clashes between regular Army troops and an M-19 column in the mountains of Corinto Municipality and in the area of Santander de Quilichao, Cauca. The agreement was reached after intense negotiations, which were extended for 2 days, that involved special delegates from the head of state, members of the National Peace Commission, and M-19 leaders. It has been established that one soldier died during the attack and that the wounded include the local police commander, a noncommissioned officer, a policeman, the warden of the municipal jail, and several civilians, including some children who are recovering from their wounds.

According to witnesses, the guerrillas had a powerful cannon and modern portable communications equipment. The guerrilla force included children as well as young men and women. The attackers failed in their attempt to destroy the police station and the jail, although both buildings were damaged. They also delivered political speeches against the government; fired at private residences, damaging them with their machine guns; and sacked at least one bank and several businesses. They also damaged electricity and communications lines. There is no report on guerrilla casualties during the 1-hour attack. The Army and the police have been patrolling the city since last night. They are using small Brazilian-made tanks.

Meanwhile, it appears that a provisional truce is in effect in the Corinto mountains. The Indian communities in this troubled area have been waging a bloody struggle for a long time. They claim that their lands were taken from them by powerful landowners during the colonial days.

ANTIGOVERNMENT DEMONSTRATIONS RESULT IN 30 ARRESTS

PA081439 Quito Voz de los Andes in Spanish 1130 GMT 8 Jan 85

[Text] The country was the scene of a number of antigovernment demonstrations yesterday in the wake of recently adopted economic measures and fuel price increases. The violent nature of the incidents was reflected by dozens of arrests, injuries, and destroyed vehicles.

Classes were partially resumed despite Education Ministry orders. Almost all schools opened their doors for classes but most of them later suspended classes, except for private schools.

Students clashed with the police throughout the country. In Guayaquil some people suffered bruises and other injuries, and 30 others were arrested as a result of such incidents. In Quito, students joined popular sectors to set up roadblocks and stage demonstrations in the northern, southern, and central areas of the city. The most affected areas were those near university campuses and other institutions of higher learning. Traffic on eastern and western highways was also blocked for several hours. The police repeatedly intervened drastically to restore order and free vehicular traffic. As a result of clashes in Quito, some people sustained bruises and other injuries. and some 30 others were arrested.

In a communique issued in the afternoon, the Education Ministry said that students who were caught and arrested during the demonstrations will be expelled. Ministry authorities called for order and asked students to change their attitude.

Public transportation operated below normal capacity. Buses serviced the city during the early morning, but after approximately 1000 [local time] they were withdrawn to avoid attacks from various demonstrating groups. The Armed Forces renewed efforts to provide transportation that citizens need to get from one place to another.

Student Killed in Quito

PA090302 Madrid EFE in Spanish 0233 GMT 9 Jan 85

[Excerpts] Quito, 8 Jan (EFE) -- A dead student, several wounded people, and more than 300 arrested by the police is the outcome of a tense protest drive carried out today by the people against the Ecuadoran Government, 1 day prior to the 48-hour strike which has been convoked by unions in the country.

Government Minister Luis Robles said he had no information about the circumstances which led to the death of a university student, unofficially identified as Jorge Revelo, and revealed his skepticism that the police might have been responsible for the death, as asserted by several witnesses. Robles said that the police have instructions to act cautiously, but admitted that this might have been a violent reaction on the part of the police to an alleged provocation by the demonstrators.

Regarding the 48-hour general strike, which will start tomorrow, Wednesday, Robles said that the government has placed the police and Armed Forces on emergency status. He added that he hopes there will be no clashes that might endanger the country's tranquillity.

The strike is aimed at exerting pressure on the government to lift several economic measures and approve a salary increase in the minimum wage to $120.

The demonstrations started last week and worsened during the past 2 days, especially in the cities of Quito, Guayaquil, Cuenca, Riobamba, Portoviejo, and Machala.

FOREIGN MINISTER LEAVES FOR CONTADORA MEETING

PA080311 Caracas Radio Rumbos Network in Spanish 2100 GMT 7 Jan 85

[Text] Contadora is the only hope for peace in Central America, Foreign Minister Isidro Morales Paul said yesterday. The minister said that he does not share the opinions of two former presidents of Venezuela, Carlos Andres Perez and Rafael Caldera, on the Contadora Group. Caldera once said that the Contadora Group was no longer pertinent to the Central American region, and Perez has said that without the support of the United States, it would be impossible for the Contadora Group to function. Isidro Morales Paul pointed out that the aspiration of this group formed by Mexico, Colombia, Panama, and Venezuela is to find a solution that will put an end to the regional crisis. The foreign minister said that within the Contadora Group there is still hope for peace. Morales Paul made these statements before leaving for Panama, where he will meet with the nine foreign ministers of the Contadora Group and Central America. The main topic at the meeting that will begin tomorrow in Panama will be the regional peace and cooperation document.

LUSINCHI, NICARAGUA'S TINOCO DISCUSS U.S. TALKS

PA090354 Madrid EFE in Spanish 0137 GMT 8 Jan 85

[Text] Caracas, 7 Jan (EFE) -- After meeting with Venezuelan President Jaime Lusinchi, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco said here today that Latin America's future will be impaired if the Central American problem is not solved. Tinoco, who arrived in Caracas yesterday, said he had reported to the Venezuelan president on the progress achieved in the talks between the U.S. and Nicaraguan Governments held in Manzanillo, Mexico. He said that they had also exchanged viewpoints "regarding the negotiations, especially the work carried out by the Contadora Group."

"It was a fruitful exchange, and we hope it will continue in the future," he added.

Tinoco described as "very important" the role played by the Contadora Group during the last 2 years, but added that "a bilateral agreement between Nicaragua and the United States is basic" for the solution of this problem.

Regarding the delegations which will attend Nicaraguan President-elect Daniel Ortega's inaugural ceremony next Thursday in Managua, he said that "many European, social democratic, and Latin American leaders and officials, comprising all the political sectors, will participate in the event." Regarding the decision of former Venezuelan President Carlos Andres Perez not to attend the ceremony, he said that this is a personal decision and it must be respected.

BRIEFS

EXPORTS INCREASE -- According to the Central Bank of Venezuela, total exports increased by 8 percent. Traditional exports went from $13,770 million in 1983 to $14,766 million in 1984, thus showing a 7.2-percent increase. In addition, it noted that nontraditional exports increased by 21 percent during the same period. They went up from $989 million to $1,194 million. [Summary] [Caracas EL UNIVERSAL in Spanish 30 Dec 84 p 2-1 PA]

OIL PRODUCTION REVENUE -- Venezuela's total proven oil reserves have climbed to 55 billion barrels. In his report to President Jaime Lusinchi, Venezuelan Petroleum Corporation President Brigido Natera stated that the sales of oil and petrochemical products had brought in 64 billion bolivares in 1984. Income from foreign exchange for the year was $14.9 billion. [Summary] [Caracas EL NACIONAL in Spanish 29 Dec 84 p D 1 PA]

SECRETARY NOTES 'TENDENCY TOWARD DETENTE' IN AREA

FL081552 Mexico City NOTIMEX in Spanish 0235 GMT 8 Jan 85

[Text] Mexico City, 7 Jan (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor, who left today for Panama, has said there is a tendency toward detente in Central America.

The Mexican foreign secretary, interviewed at the Mexico City airport, said the Honduran Government's position of not allowing the installation of contra factions in its territory is a sign that progress is being made toward an understanding between the parties involved in the Central American problems. He said that position will allow for the possibility of discussing concrete actions that will be proposed after the Contadora Group foreign ministers meeting, which begins tomorrow in Panama.

Referring to objections that had been made to the Contadora agreement, he said that during the last weeks of December and the first days of January, consultations were held with Central American governments in which the common denominators among the different positions of the Central American nations were determined.

He added that Mexico's position in Panama will be to promote plans to facilitate a political agreement among the Central American countries.

LETTER OF INTENT TO IMF OUTLINES 1985 OBJECTIVES

FL040310 Mexico City NOTIMEX in Spanish 2135 GMT 3 Jan 85

[Text] Mexico City, 3 Jan (NOTIMEX) -- Mexico will send another letter of intent to the IMF outlining its 1985 economic objectives, the national press reported here today. The letter states that with these new objectives 1.504 billion pesos (some $1.470 billion) [as received] of special draft rights will become available during the third phase of the 1982 IMF agreement. The letter, published in Mexico City's newspapers, also emphasized that Mexican finance officials are preparing to repay $250 million as partial prepayment of $1.2 billion of the (?jumbo) $5 billion credit it has with international banking. The document was signed by Secretary of Treasury Jesus Silva Herzog, and Bank of Mexico Director Miguel Mancera Aguayo.

It was also reported that in this year there will be a decrease in interest rates and structural adjustments to public spending to avoid constricting government investment in the country's strategic sectors. Also, private and social investment will be stimulated through selective credit policies, although the primary stimulus will be the recovery itself.

Silva-Herzog on Debt Payment

FL080150 Mexico City NOTIMEX in Spanish 2020 GMT 8 Jan 85

[Text] During the first quarter of 1985, Mexico will make a second foreign debt payment of more than $250 million to the international banks. When he made the preceding statement, Mexican Finance Secretary Jesus Silva-Herzog said the first international debt payment, made in early January, shows the readiness of the Mexican Government to live up to its obligations and reduce its foreign debt. He added that the reprogramming of Mexico's foreign debt has allowed Mexico to make progress in its domestic policies and advance in the reordering of the national economy, as is shown by the fact that Mexico has overcome the worst effects of the crisis.

PEMEX PROJECTS 1985-89 EXPORTS, EARNINGS

FL041650 Mexico City NOTIMEX in Spanish 1930 GMT 3 Jan 85

[Text] Mexico City, 3 Jan (NOTIMEX) -- PEMEX Financial Director Joaquin Munoz Izquierdo has reported here that PEMEX will export products worth $85 billion during the period 1985-1989. He added that it is expected that during this same period its cash reserves will increase from 11.4 billion pesos to 13.2 billion, and that PEMEX will generate about 90 percent of the resources needed to finance its development.

Munoz Izquierdo said PEMEX will amortize $3.352 billion of its foreign debt considering the effects of the second restructuring of the national debt. The total of the national debt was recently adjusted and will continue to be renewable every 2 years. He said PEMEX expects to receive $1 billion in foreign financing in the form of buyers credits.

He said that during the period 1985-1989, PEMEX will have a net debt decrease of $2.452 billion, representing 15 percent of the PEMEX debt, which will drop to $14 billion by 1989.

The PEMEX financial director said PEMEX will maintain its financial structure due to the increase in its cash reserves and revaluation of its fixed assets. He added that financing will come basically from internal resources and that cash reserves will be maintained at from 60 to 80 percent of total assets.

TRADE MISSION TO BE ESTABLISHED IN GDR

FL051754 Mexico City NOTIMEX in Spanish 0255 GMT 5 Jan 85

[Text] Mexico City, 4 Jan (NOTIMEX) -- Mexico, which still has a low level of trade with the European socialist bloc despite the increase in trade achieved in the past decade, will establish a trade mission in the GDR to increase trade with that region. Mexican Ambassador to the GDR Rogelio Martinez Aguilar made the preceding statement minutes before his departure for the GDR, where he has served as Mexican ambassador since last year. He added that Mexico and the European nations that belong to the CEMA are not making use of their industrial and agricultural potential [for trade] because private and public importers are insufficiently informed on the resources that exist. He explained that Mexico's trade with the GDR amounts to about $80 million [no time period given], which is one of the highest volumes of trade with socialist nations.

Mexico has a surplus in its balance of trade with the GDR, exporting coffee, cacao, raw materials, and textile products, and importing machinery for the textile industry and spare parts for telecommunications equipment.

The Mexican trade mission in the GDR will be an important factor in the development of trade with the CEMA members because, at thepresent time, Mexico coordinates the economic operations of the CEMA's multilateral commission.

COSTA RICA

CIVIL GUARD DIRECTOR ON NICARAGUAN VIOLATIONS

PA082315 San Jose Radio Reloj in Spanish 1200 GMT 8 Jan 85

[Text] The intensified fighting between anti-Sandinist guerrilla groups and the Nicaraguan Army has increased tension among those who live near the border with that northern country. A high-ranking Security Ministry official described the situation as a true war of nerves. He was referring to rumors of an air attack against a Costa Rican town in Los Chiles canton. The attack is said to have taken place yesterday. There was no such attack, but yesterday afternoon Colonel Oscar Vidal, director general of the Civil Guard, confirmed that although Nicaraguan reconnaissance planes are constantly flying over the area, these planes have flown over Costa Rican territory only occasionally.

Col Oscar Vidal said that there have been no reports of attacks by Nicaraguan Sandinist People's Army planes against the Costa Rican Civil Guard post in Los Chiles. Col Vidal added that the problem is that there are groups of anti-Sandinist guerrillas in Nicaraguan towns near Costa Rican Civil Guard posts in La Moca, La Azucena, and San Pancho. The Nicaraguan planes frequently fly over these areas to spot these groups. Several charges of airspace violations have been made, but these have never been proven. Col Vidal added that so far Nicaraguan pilots have acted with some caution and respect to avoid situations that could provoke a confrontation between our two countries.

Col Oscar Vidal also said that the Costa Rican Government is awaiting further details on what is happening on the Nicaraguan Atlantic coast area of Bluefields. Heavy fighting in the area has been reported over the past few days. Col Vidal added that the possibility of a massive entry of wounded and refugees in the next few hours cannot be dismissed. This massive entry would be expected through Barra del Colorado. Such a situation developed the day before yesterday when three seriously wounded Nicaraguans crossed into Costa Rica.

In conclusion, Col Vidal said that this afternoon the Costa Rican Foreign Ministry will receive the results of investigations into Nicaraguan violations of Costa Rican territory last week. The Foreign Ministry will then proceed through diplomatic channels.

WOMEN DEMAND STRONGER ACTION AGAINST NICARAGUA

PA082251 San Jose Radio Impacto in Spanish 1830 GMT 8 Jan 85

[Text] A group of Costa Rican women, who have remained in front of the Costa Rican Foreign Ministry since 1000, have requested that Jesus Fernandez, Costa Rican ambassador to Managua, be dismissed. The women, who said that they do not belong to any particular organization but represent the feelings of the country's female population, have also requested that Costa Rica withdraw from the Contadora Group talks. In addition, the women have demanded a direct intervention by the OAS in the conflict between the Sandinist government and Cost Rica due to the repeated violations of the national territory. The protesting women paraded, carrying placards and tricolor flags and indicated that today's demonstration in front of the Foreign Ministry is the first of a series of actions that they plan to carry out.

Mrs Vera Tinoco has declared that the demonstrators want the Costa Rican ambassador to be removed at once because he does not truly represent the national interests of Costa Rica. Regarding the Contadora Group, Mrs Tinoco said that the group does not have the necessary elements to defend Costa Rica against the communist government of Nicaragua; therefore, Costa Rica should not be part of the group. The Costa Rican women's representative also said that the alternative is the OAS's active participation because this organization has the proper resources to put an end to the situation that peaceful Costa Rica is experiencing due to the Sandinist government's outrages.

While patriotic songs were played in the background, Claudia Cascante, former ambassador to the United Kingdom, addressed those citizens who came near the Foreign Ministry at noon to see the demonstration and asked for their moral support for the Costa Rican women's demands. Some armed members of the Civil Guard showed up, ready to maintain order, but after a short time most of them were withdrawn until only two remained. The women expressed their determination to remain in front of the Foreign Ministry until 1500. They did not discard the possibility that they will return in the next few days to further pressure Foreign Minister Carlos Jose Gutierrez into assuming a stronger stance vis-a-vis the Nicaraguan Government.

Another demonstrator, Ileana Gonzalez de Odio, has said that the women do not promote the use of violence under any circumstances because, she said, Costa Rica is a peaceful country. She added: It is high time that we take drastic measures against the scorn of the regime of the nine commanders. She stressed the necessity of applying the Inter-American Reciprocal Assistance Treaty, TIAR. Stating her stance regarding the situation with Nicaragua, Mrs Gonzalez said: We need to assume a more vigorous stance with fewer protest notes.

The foreign minister, who remained within his office, did not make any statements to the press regarding the demonstration in front of the Foreign Ministry building.

EL SALVADOR

DUARTE DECLINES ORTEGA INAUGURATION INVITATION

PA082149 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 8 Jan 85

[Letter from President Jose Napoleon Duarte to Nicaraguan President-elect Daniel Ortega Saavedra; date not given]

[Text] Commander Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction, Managua, Nicaragua

Dear Commander Ortega Saavedra:

I acknowledge receipt of your kind note dated 21 November 1984 inviting me to the presidential inauguration ceremonies to be held in that sister country on 10 January 1985.

Thank you very much for your kind official invitation, but unfortunately, prior commitments make it impossible for me to be present in person at this important event.

I wish to express my hope that your designation as president of Nicaragua will facilitate the search for detente and tranquillity in the Central American region. In bilateral relations, I can assure you of my firm decision to strengthen the democratic process and to respect the self-determination of peoples.

I hope your government reciprocates toward the Salvadoran Government and people, who have always been respectful of Nicaragua's sovereignty and have supported peaceful co-existence among peoples.

Yours truly,

[Signed] Jose Napoleon Duarte, constitutional president of El Salvador

DUARTE DENIES RUMORS OF MILITARY RESIGNATIONS

PA090407 Paris AFP in Spanish 0253 GMT 9 Jan 85

[Text] San Salvador, 8 Jan (AFP) -- Salvadoran President Jose Napoleon Duarte today denied rumors that his government is being destabilized with the resignation and transfer abroad of military officials.

The president attributed such rumors "to those who are always dreaming of coups d'etat", and he denied that Defense Minister General Eugenio Vides Casanova would take a diplomatic post in Argentina.

"I confirmed him as defense minister this week," Duarte said. He also denied the rumors about the resignation of Deputy Security Minister Colonel Reynaldo Lopez, who was said to be unhappy about the recent promotions of General Adolfo Blandon, chief of the General Staff, and General Rafael Bustillo, commander of the Air Force. "The matter of the promotions," Duarte said, "is well known in the Army where a commission makes the decision in this regard."

Duarte said he does not have political problems with the Armed Forces and he added that he constantly meets with the commanders and officers, who have reiterated their support for the democratic process.

Regarding other military changes and the appointment of a new commander of the 1st Infantry Brigade, the president said that "it is true" that he decided on this change with the approval of the high command. The new commander of the 1st Brigade, which is headquartered in San Salvador, is Colonel Julio Agustin Trujillo, who was brought from Buenos Aires where he held a diplomatic post.

Meanwhile, military sources today denied that there has been any special troop mobilization in the eastern region and indicated that all military actions are the result of the country's situation. A military spokesman explained that since the rebels have announced a new campaign of sabotage against the region's commercial transportation, patrols have increased on the main highways.

At the same time, military sources reported the deaths of 15 soldiers in the heavy fighting in the rural areas of San Vicente Department in the country's central region.

An official report indicated that in addition to those 15 dead, including a cadet, 24 other soldiers, including 4 officers, were wounded today in battles with guerrillas in Buena Vista and Campana Hills in San Vicente. This week the 5th Infantry Brigade launched a vast antiguerrilla operation in San Vicente where, according to a military spokesman, the rebels are also sustaining "a large number of casualties."

The assassination of a retired military officer in San Salvador was reported today. It was also reported that Domingo Aviles, mayor of Santa Elena in Usulutan Department, was shot to death in his office by three unidentified persons.

D'AUBUISSON OPPOSES GOVERNMENT-REBEL DIALOGUE

PA081416 San Salvador LA PRENSA GRAFICA in Spanish 7 Jan 85 pp 3, 29

[Text] Major Roberto D'Aubuisson yesterday voiced open opposition to the dialogue [between the government and the FMLN], saying that the people's conscience is being trifled with and that the dialogue should not be continued for any reason because it serves merely as a propaganda tool for the rebels.

D'Aubuisson said that the so-called dialogue for peace is nothing more than an imminent threat to the stability of the government and the fatherland because the rebels do not really believe in dialogue, but seek only to use it to attain power through lies, deceit, and false offers. Maj D'Aubuisson said that it is an error and a serious threat to democracy to insist on talking with rebel groups that reject democratic procedures and the civilized process of elections in favor of weapons, the destruction of the nation's economy, murder, kidnapping, and so forth.

D'Aubuisson was also asked to comment on President Jose Napoleon Duarte's handling of public affairs. He described Duarte's performance as "deplorable." D'Aubuisson said that President Duarte's government has no definite plans for restoring the economy and that instead there seems to be only disorder. He said that if Duarte were to change his attitude, he (D'Aubuisson) and his party, the Nationalist Republican Alliance [ARENA] would be prepared to support Duarte because the party is nationalistic.

D'Aubuisson added: Incidentally, ARENA's political goal is to participate in elections in order to be able to extend all necessary support to President Duarte, "as long as we, the democratic forces, begin a dialogue or reach an understanding on opposing the greatest threats to our fatherland: armed subversion and economic disaster."

FMLN ORDERS NATIONWIDE TRANSPORT STRIKE FOR 7-14 JAN

PA081959 San Salvador Radio Cadena Sonora in Spanish 2100 GMT 7 Jan 85

[Telephone dispatch from FMLM correspondent Marianel Montes -- live]

[Text] The FMLN General Command has decreed a nationwide transport strike from 7 to 14 January. Commercial, government and military vehicles will not be allowed to move on the highways. Private vehicles and buses will be able to move freely.

HONDURAS

M-LIDER'S REINA OUTLINES GROUP'S TENETS, DEMANDS

PA082025 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 8 Jan 85

[Message by Carlos Roberto Reina, leader of the Liberal Revolutionary Democratic Movement, M-LIDER; date and place not given -- recorded]

[Excerpts] Fellow party members and compatriots, this is Carlos Roberto Reina. I would like to refer today to the reaction to the patriotic message issued by a group of highly representative Honduran personalities on 31 December 1984. We insist on this, because the basis for and objectives of this document must be perfectly clear. It contains six introductory clauses that constitute the justification for its demands and also six tenets.

The introductory clauses are perfectly clear. It is public knowledge that persons linked to the Honduran Government have made known their intention of amending or suspending the constitutional articles requiring alternation in the exercise of the presidency of the Republic. This is absolutely true. If one reviews Honduran newspapers, one finds conclusive evidence that this assertion is utterly true.

The second clause deals with the administration's meddling in the internal affairs of political organizations. The situation of the National Party, which is being manipulated through the electoral bodies and through the deputies at the National Congress, has been repudiated by all Honduran citizens because of the immorality involved in this. The Honduran Administration has grown weak because the principle requiring participatory democracy, which is embodied in one of the articles of the Constitution, has been absolutely ignored.

Another introductory clause refers to the fact that the administration plans to violate the constitutional principle of people's sovereignty by using the state's power to impose candidates in elective posts. According to speculation, based on very concrete facts, there are very serious irregularities in the citizens registry, and the issuance of politically motivated rulings at the presidential house, the Electoral Tribunal, and the Supreme Court is also evident.

The last clause refers to the violation of the constitutional principle of the independence of government branches. The actions aimed at dismissing Supreme Court magistrates are still very fresh in the Honduran people's minds. Once more this state branch, which should be the main guarantor of the independence of government branches and of the existence of true justice, has been turned into a subordinate branch. This action against the elementary principles of democracy destroys the system our Constitution calls for.

What demands are made on the basis of these introductory clauses?

Respect for the constitutional mandate of alternation in the exercise of the presidency of the Republic. Why, as we approach the end of the presidential term of a legitimate government, do we have so many problems, when it would be so simple for us to become used to democracy and respect absolutely this principle of alternation?

An immediate end to intervention in the internal affairs of political, social, and labor organizations. How many times have the Honduran people become indignant at the Honduran state's meddling, through the government, in the boards of the teachers unions and other organizations? This is undeniable because it is very obvious.

Immediate explanations are demanded on punishment of those guilty of crimes against the public treasury and public safety. This involves two issues: punishment of embezzlers of public funds and respect for human rights.

Provide amendments to laws to achieve a democratization of the political parties. One main problem is the arbitrary, rude, and dim-witted manner in which the Liberal Party leaders act.

Strengthen the institutions responsible for the electoral process. The full credibility and dignity they are supposed to have must be returned to them.

Lastly, provide unlimited support for the independence of state branches. In the 18th century it was established that the democratic system is based on the independence of state branches. If this is destroyed, there is no democracy. If there is no democracy, the Constitution is violated. And if the Constitution is violated, one no longer lives under a state of law and falls into the arbitrary regimes that the Honduran people loathe so much and against which they have fought with bravery, integrity, and liberal ideals.

Liberalism means respect for democracy, and democracy is the only system that can keep us in peace. This has been my message for today.

NICARAGUA

ORTEGA DISCUSSES GOVERNMENT REORGANIZATION

PA090212 Managua BARRICADA in Spanish 8 Jan 85 p 5

[Text] Commenting on the importance of the changes announced last night, Commander of the Revolution Daniel Ortega, president-elect of Nicaragua, said: "The new revolutionary cabinet is a continuation of the triumph of 19 July 1979." Ortega pointed out that two main tasks have had the full attention of the National Directorate in the past few days: the 1985 economic plan and the military defense of the revolution.

The formation of the new revolutionary state was included in the economic plan. Not only have sensible changes been made in the concept of the new revolutionary state, but its organization has also been changed to "try to achieve a cohesiveness that will help us fulfill the tasks of the next few years." Ortega added that these changes, as well as future economic and government measures, are made in the same spirit with which the revolution triumphed in 1979.

The leader said that this first step begins with the accession of a new president who has the duties of a head of government, which is "an important step in the institutionalization of revolutionary power."

Ortega explained that the changes are meant to bring about a unity of criteria between the great areas of revolutionary management and the other social and political movement that have contributed to the development and consolidation of the Sandinist people's revolution.

Ortega added: "For this reason, the Ministry of the Presidency has been created and will be headed by Companero Rene Nunez, secretary of the FSLN's National Directorate. He will try to explain, coordinate, and carry out the various tasks of the state and of the various social, political, mass, and party organizations that revolve around the revolution."

The Ministry of the Presidency will have two secretariats: the Secretariat of the Junta of the Government of National Reconstruction [as published], to be headed by Companero Rodrigo Reyes, who will continue to resolve a series of administrative problems; and the Regional Affairs Secretariat, to be headed by Guerrilla Commander Monica Baltodano.

Ortega added: "The giant step we are taking in this direction is to make the current National Planning Ministry an instrument of technical support for the presidency by turning it into a secretariat which, in the interest of better performance and cohesiveness, will be merged with the General Budget Directorate. It will also assume the responsibilities of the Nicaraguan Institute of Statistics and Census and the Nicaraguan Institute of Territorial Studies. By doing this, we will have a center where we can find figures, numbers, and statistics that are readily accesible." The Planning Secretariat will be headed by Companero Luis Enrique Figueroa, who worked for the Planning Ministry and is the current president of the Central Bank.

As another important change in the new revolutionary cabinet, Ortega underscored the creation of the National Planning Council, which will be formed by the five largest key areas of production, economy, and development of the revolution.

These will be five important ministries, which will represent an equal number of sectors that revolve around production, which has its strongest support in the Ministry of Agricultural Development and Agrarian Reform, which will be headed by Commander of the Revolution Jaime Wheelock, who will be a member of this council.

Another priority sector in the 1985 plan is the industrial production sector as represented by the Ministry of Industry, which will be headed by Companero Emilio Baltodano. He will also represent other important institutions such as fisheries, mines, and so on.

Another sector that is represented is the infrastructure, which was defined by Ortega as "the tool, the essential support for production." Companero Sergio Ramirez will have responsibility for this sector, which includes the Construction and Transportation Ministries, the Nicaragua Institute of Energy; the Nicaraguan Telecommunications and Postal Services; and the Nicaraguan Water and Sewage Institute.

A fourth and truly new sector "that will complement the productive, industrial, and infrastructure activity" is that of foreign cooperation "which is vital to the development" of all the other previously mentioned sectors. The Foreign Cooperation Ministry has been created for this sector. Commander of the Revolution Henry Ruiz is in charge of this ministry. Everything related to efforts between governments and within multilateral organizations and everything dealing with this field will fall under this ministry.

This ministry will coordinate the work of the Foreign Trade Ministry and the International Reconstruction Fund in their international work "although the ministries do not lose their personality even though they are represented before the National Planning Council by the previously mentioned ministries."

- The last great area is that of the financial sector, which will be headed by Dr Joaquin Cuadra, who becomes president of the Central Bank.

In addition to the five officials previously mentioned -- Commanders Wheelock and Ruiz, Emilio Baltodano, Sergio Ramirez, and Joaquin Cuadra -- other members of the council are Luis Enrique Figueroa, secretary of national planning, and Rene Nunez, minister of the presidency. This will be an important instrument to strengthen planning in the revolutionary state, to follow up on the implementation of the program, to adjust the program when necessary, and to propose some economic initiatives, the ruler said. It will be a center of coordination that will be directly handled by the president, Ortega said.

The president-elect stressed that this was discussed at length by the National Directorate and other sectors and that the final touches were put on yesterday to perfect its structure and operation.

He stated that the idea of the new structure and modification of the cabinet falls within the spirit of strengthening the various programs of the revolutionary government. "One of the objectives is to seek the cohesiveness and unity of views that means having congruence in the actions."

The president-elect made it clear that he does not mean that other important ministries such as the Ministry of Health and those of education, culture, and so on will be neglected. Instead, they will receive special attention from him. "It is a matter of truly giving priority to those sectors linked to the revolution's military defense, as is being done with regard to the economic sector," he explained.

He explained some of the changes in the following way:

For example, Guerrilla Commander Willian Ramirez who had been in charge of Atlantic coast affairs, specifically the Miskitos, will now be the new transportation minister. Companero Carlos Zarruck moves to work in the rearguard of the Sandinist People's Army. "It is important to state that we are strengthening the revolution's military defense with experienced cadres. Zarruck has carried out his functions as transportation minister very well and we are appointing him to carry out new and very complex tasks that are decisive in maintaining the people's combative capacity in the face of the mercenary war," he said. He reported that Dionisio Marenco will become an adviser to the presidency and Guerrilla Commander Ramon Cabrales will take over as domestic trade minister.

He added: "We are trying to establish a clearer vertical line in government administration, specifically in the presidency."

"We are gathering together some organs that were quite divided and that did not have any cohesiveness around the presidency."

"For example, by unifying all sectors of foreign cooperation, we are achieving cohesiveness in administration. By forming sectors of the production such as agricultural production, supply, wages, prices, and so on we are achieving greater cohesiveness in this area."

"By unifying the industrial sector with fishing and mining, we are also seeking cohesiveness. In the same way, by unifying all ministries dealing with infrastructure, we are also seeking that cohesiveness."

Ortega insisted that all these actions are aimed at implementing the government program promoted in the electoral campaign, which is the same program advocated in 1979 and supported by the FLSN since its founding. "This is the Sandinist Front," he pointed out.

We asked: How is the role of the FSLN in the new revolutionary state viewed?

"The FSLN is the vanguard of this revolutionary process." The FSLN is manifested in the country's life, in the course of the various actions and objectives proposed by the revolution. "The FSLN has proposed a government program and we will implement that government program through us, the members of the FSLN in other words, playing a committed role to the Nicaraguan people."

"The FSLN is also part of the working class, its plans, and its development. The FSLN will not only advance the economic plans, it will also advance the national defense plans."

"The FSLN is present in the various instruments of the revolutionary power such as the government, the state, and the Armed Forces, carrying out political, organizational, ideological, and propaganda work, each one in its own specialty."

"The FSLN is a combination of efforts and actions that sum up the total strength of the Sandinist Front. The FSLN is something integral that is manifested in various actions."

"We cannot think that the FSLN is here and that the structures of the state and the Armed Forces are somewhere else. The FSLN is the nerve center and engine of everything and its cadres are present in all areas of revolutionary life. The National Directorate will be determining the lines," he added.

SOVIET, OTHER DELEGATIONS ARRIVE FOR INAUGURATION

PA090440 Managua BARRICADA in Spanish 8 Jan 85 p 1

[Text] For the second consecutive day members of the 350 delegations representing 46 countries as well as individuals from five continents continued to arrive in Nicaragua yesterday to attend the inauguration of the new legally established government, which will be headed by Commander of the Revolution Daniel Ortega and Sergio Ramirez Mercado. Yesterday, high-ranking officials of the revolutionary government welcomed 11 more delegations from governments and peoples with whom Nicaragua maintains relations in the international community. The Soviet delegation was headed by Antanas S. Barkauskas, deputy chairman of the Presidium of the Supreme Soviet, who on arriving at the Augusto Cesar Sandino International Airport, delivered a message of solidarity from the Soviet people and government to the Nicaraguan people and government. The Romanian delegation arrived in the morning. It was headed by Alexandrina Cainuse, deputy prime minister and high-ranking leader of the Romanian Communist Party. Other delegations arrived in the afternoon. They included the Argentine delegation headed by Vice President Victor Martinez and delegations from Bulgaria, Hungary, Poland, Norway, Iran, Australia, Honduras, and Saharan Republic.

Further Report

PA081944 Managua Radio Sandino Network in Spanish 1200 GMT 8 Jan 85

[Text] Important personalities, delegations, and members of international organizations from Argentina, Bulgaria, Hungary, Poland, Iran, Honduras, and the Saharan Democratic Arab Republic [SDAR] arrived at the Augusto Cesar Sandino International Airport last night to attend the inauguration of the president and vice president of Nicaragua scheduled for 10 January. Sergio Ramirez Mercado, member of the government junta, and members of the cabinet greeted the guests. The personalities who have arrived include Victor Martinez, Argentine vice president; Peko Takov, deputy chairman of the Bulgarian State Council; Imre Katona, secretary of the Hungarian Presidential Council; Mohammad Mirmehdi, Iranian deputy foreign minister; Roman Malinowski, deputy chairman of the Polish Council of Ministers; Mahfoud Ali Beiba, SDAR prime minister; and (Mark Haran Deveran) and (Norma M. Goebbel) of the World Confederation of Teachers Organizations. Many personalities and delegations from all over the world are expected today.

TUNNERMAN ON U.S. RELATIONS, HONDURAS, CRUZ

PA082031 Managua Radio Sandino Network in Spanish 1200 GMT 8 Jan 85

[Text] Carlos Tunnerman Bernheim, Nicaraguan ambassador to Washington and FSLN representative to the National Assembly, has stated that White House's policy toward Nicaragua would improve if President Reagan supported the Contadora Group's document. Tunnerman Bernheim referred to the legitimacy of the Nicaraguan elections and the role being played by the Honduran Government by announcing that Somozist mercenaries must leave that country.

[Begin recording] [Tunnerman -- broadcast in progress] (?They) would improve if the Reagan administration would give decisive support to the Contadora Document as it was presented by the foreign ministers of the Contadora Group (?before) 7 September 1984. In other words, I am referring to the document called the revised document, which is the document Nicaragua said it is ready to sign. We are ready to sign it immediately.

Therefore, instead of looking for a way to obstruct the signing or delay it, the right thing to do would be to speed up the signing becuase we can [word indistinct] peace in Central America through the Contadora Document.

[Reporter] What do the Nicaraguan elections mean to the United States?

[Tunnerman] Well, this varies, because to the Reagan administration, for example, the elections lacked credibility. However, the credibility of our elections does not depend on their opinion. It depends on the reality of these elections, the way in which they were held, the fact that more than...[rephrases] of almost 75 percent of the Miskitos voted, and the opinion of the impartial observers, some who even came from the United States.

Members of serious-minded organizations were here such as the Washington Office on Latin America [preceding four words in English] known by the acronym WOLA. It drafted a report which has had a great effect on U.S. intellectual and political circles on the validity and seriousness of our elections.

The report even includes a comparison between our elections and those in El Salvador. According to the report, our elections were by far superior to the elections in El Salvador. The United States praised the election results in El Salvador. Therefore, it is contradictory that, on the other hand, it is trying to discredit ours.

[Reporter] How do you view the Honduran Government's announcement that counter-revolutionaries, who are using Honduras to kill the Nicaraguan people, should leave that territory? What do you think this decision to dislodge the counterrevolutionaries means?

[Tunnerman] We'll see what happens because it is still very surprising that after allowing these incidents to happen for several years they take this measure now. We must see if all they are doing is trying to renegotiate U.S. aid. However, in any case, what they are doing now is what they should have done from the beginning. They are doing this several years late.

[Reporter] What is the role of Arturo Cruz in the political arena? He travels back and forth to Washington.

[Tunnerman] In view of statements he made at the International Club of Washington [preceding four words in English], he is showing that he is playing the Reagan administration's game.

[Reporter] As a Nicaraguan, what position is he taking when he says that the Reagan administration should not stop the aid to the counterrevolution?

[Tunnerman] He is advocating continued aid for those who come here to kill our people. The counterrevolution kills peasants, students, coffee pickers, teachers, and so forth. He advocates granting more funds to these individuals who have long, bad records of destruction and crimes in our country.

[Reporter] By the demand he is making, what is Cruz' position?

[Tunnerman] He should ask his own conscience. His conscience will tell him if it is right for him to help those who come here to sow death and destruction. [end recording]

RADIO SANDINO SEES POSITIVE CHANGE IN U.S. POLICY

PA062241 Managua Radio Sandino in Spanish 1300 GMT 6 Jan 85

["Beyond the News Reports" by Carlos Chamorro Coronel: "A Turn in the Current U.S. Policy Toward Central America"]

[Text] Everything seems to indicate that there has been a change in the course of current U.S. policy in the region and, therefore, in U.S. policy toward Nicaragua. However, this does not mean that we can become overly optimistic and believe that the United States will ease up on its hostility toward the revolution. However, we can be moderately optimistic about at least reaching a starting point for some arrangement with the United States in a relatively short time.

Why do we say this? Surely not because we are expecting a profound change in the current U.S. Administration's attitude toward Nicaragua or toward anything that they consider a revolution, but because the ultrarightist fanatics are giving in to the pressures of the pragmatists and realists who understand that they cannot continue to play with fire and expect not to get burned.

This would partly, although not completely, explain the thorough review made by the U.S. State Department of all the ambassadors in the area, especially of the "three black beasts" in Honduras, Costa Rica, and El Salvador. These "black beasts" are Negroponte, Winsor, and Pickering, who, until recently, were considered key pieces in the chess game of Reagan's policy toward Central America.

In other words, all this means that Reagan's foreign policy, at the world level and most specifically toward Central America, is practically in shambles and near total destruction. This would also explain the recent statements made by Paz Barnica, Arturo Cruz, Fagoth, and others, who have expressed displeasure, in various ways, with the results of a policy that has dragged them and the peoples of Central America toward an unbearable situation.

Meanwhile, we will continue to uphold our firm position. We will show flexibility toward a worthy and fair dialogue in favor of the popular causes, but we will be firm to a degree of stubbornness regarding the defense and sovereignty of the national territory. It is this stubbornness that has made us flexible and that has destroyed the perverse plans of the Reagan administration.

PLI DEPUTIES TO TAKE SEATS IN NATIONAL ASSEMBLY

PA082007 Managua BARRICADA in Spanish 7 Jan 85 p 1

[Text] After several weeks of hesitation and contradictory statements, members of a permanent commission of the Independent Liberal Party (PLI) National Executive Committee decided yesterday to take their seats in the National Assembly that will be installed in Managua on Wednesday.

The announcement was made by PLI leaders following a 3-hour meeting in the offices of Managua's Andres Castro Institute. The group also reported that a special delegation will attend the Assembly installation ceremony with the elected deputies. This ended a lengthy discussion within the PLI that began even before the elections when presidential candidate Virgilio Godoy, together with Assembly candidates who supported him, announced their withdrawal from the elections.

Vice presidential candidate Constantino Pereira and other Assembly candidates opposed the withdrawal. The Supreme Electoral Council (CSE) finally rejected Godoy's withdrawal request because it violated the Nicaraguan Electoral Law. After the elections, in which the PLI placed third behind the FSLN and the Democratic Conservative Party of Nicaragua, internal contradictions focused on whether elected deputies should participate in the National Assembly. Pereira said that they should take their seats in the Assembly, while Godoy's group advocated withdrawal from the parliament. Yesterday, Pereira's stand finally prevailed.

SANDINIST ASSEMBLY ESTABLISHES GUIDELINES FOR 1985

PA081336 Managua Radio Sandino Network in Spanish 1200 GMT 8 Jan 85

[Text] The 102 members of the Sandinist Assembly met in this capital yesterday to review the accomplishments of 1984 and establish the guidelines for the most important tasks of 1985. At the end of the all day meeting, the following communique was issued:

The FSLN National Secretariat informs the people that yesterday, 7 January 1985, a meeting of the Sandinist Assembly, the top consultative body of the FSLN National Directorate, was held.

Some of the main tasks of revolutionary work for 1985 were discussed at this meeting. The meeting, which was presided over by the National Directorate's Political Committee, discussed the main guidelines of military plans for the defense of the fatherland and the economic plan for 1985. In addition, the difficulties being faced by the revolution as a result of the international economic crisis and the imperialist war of aggression were also discussed. In the face of these problems, all people, led by the FSLN, must be mobilized in order to make the revolution move forward in 1985.

[Signed] National Secretariat of the FSLN National Directorate

COMMISSION TO INVITE PARTIES TO NATIONAL DIALOGUE

PA081734 Managua LA PRENSA in Spanish 6 Jan 85 p 5

[Text] Erick Ramirez Benavente has said that a commission appointed by the political parties will establish its working procedures in order to invite other political parties to hold a national dialogue. The nine political parties that have been holding meetings aproved a document by consensus that was drafted by four delegates. The commission, which is tasked with furthering efforts at holding a dialogue, is made up of Eli Altamirano of the Communist Party of Nicaragua, Luis Sanchez Sancho of the Nicaraguan Socialist Party, Eduardo Coronado Perez of the Independent Liberal Party, and Ramirez Benavente. It was agreed that 13 political parties will participate in the national dialogue. Toward that end, the commission will issue invitations to the FSLN, the Marxist-Leninist People's Action Movement, the Central American Unionist Party, and the Revolutionary Workers Party. The Social Christian politician said that these four parties, together with the other nine that have been holding pre-dialogue meetings, make up the 13 parties. Other sources indicated that delegates of the nine political parties signed the consensus document Friday afternoon. A copy of the signed document will be presented to the four other parties to allow them to learn more about it and to invite them to upcoming meetings. Therefore, there will be a waiting period to allow the four parties to analyze the document.

CORDOVA RIVAS VIEWS PARTY'S ROLE IN DIALOGUE

PA090319 Managua Radio Noticias in Spanish 1200 GMT 7 Jan 85

["Excerpt" of an interview with Dr Rafael Cordova Rivas, the new political secretary of the Democratic Conservative Party, by unidentified Radio Noticias reporter in Managua on 7 January]

[Excerpt] [Reporter] [Question indistinct]

[Cordova] In the only statements I have made to you all, I insisted that the national dialogue cannot take place without the FSLN and the Democratic Conservative Party, which are the parties that should initiate the national dialogue. I cannot insist on a national dialogue with a minority force [words indistinct] while the two major political forces in the country, the FSLN and the Democratic Conservative Party, are left out. This would be ridiculous, [word indistinct], and foolish. It would only serve to enable the small parties to [words indistinct] but frankly, I think that there can be a national dialogue only when the FSLN and the Democratic Conservative Party sit down to solve the country's problems.

[Reporter] Doctor, what can you say 3 days before you cease being a member of the government junta?

[Cordova] I feel like I did when I was made a member of the government junta. There is no difference. Perhaps you reporters have noticed that my nature, my political sense, my awareness of what I am and what I could be, have not changed because I was a member of the government junta, nor will they change because I am a member of the Constituent Assembly. I am a political figure who has to direct the country's destiny. My fellow citizens have placed me in this position and I willingly give my life for my people's happiness. One of the things that impressed me the most about Subcommander (Enrique Schmidt's) death was that in his eagerness to confirm God's will he found death.

[Reporter] [Passage indistinct] How do you interpret the Honduran Government's attitude?

[Cordova] I think the Honduran Government's attitude is part of a great effort being made by the Reagan administration to change its policy toward Nicaragua. We cannot isolate the Honduran foreign secretary's statement. We have to take into account the meeting that took place between coordinator Daniel Ortega, president-elect of Nicaragua, and the Nicaraguan bishop and the next meeting that will be held with them. We also have to take into account the U.S. withdrawal of its ambassadors from El Salvador, Honduras, and Costa Rica [words indistinct] Paul Gorman, chief of the Caribbean area. We have to take into account that [words indistinct] the same manner of speaking of the Honduran, Costa Rican, and Salvadoran Governments regarding Nicaragua. It would not be strange for a Central American president to appear at Daniel's inaugural.

MAP-ML LEADER SKEPTICAL ABOUT NATIONAL DIALOGUE

PA081538 Managua Radio Noticias in Spanish 1200 GMT 7 Jan 85

[Excerpts] This morning on "The Awakening" newscast, Carlos Cuadra of the Marxist-Leninist People's Action Movement [MAP-ML] will outline his own views and those of his party on the current efforts to resume the national dialogue.

[Begin recording] [Cuadra] To begin with, the MAP-ML wishes to make it clear that it has outlined its position with regard to a national dialogue on several occasions.

We do not feel that a meeting of leaders of political parties or the top political leadership constitutes a national dialogue. A national dialogue must involve a mobilization of the masses, not only to decide on their future but to take the reins of power in order to implement the measures (?adopted in it).

As we understand it, the Ramiro Sacasa Guerrero Democratic Coordinating Board, CDN, and now the Communist Party of Nicaragua [PCdeN] and the Nicaraguan Socialist Party [PSD] have favored an attempt to negotiate regarding the Constituent Assembly. We have commented in past meetings that this would deal a blow to the Constituent Assembly, which has not yet been installed. Right now the Assembly is the only body empowered to hold discussions. Also, we believe that it is up to the masses, the workers, to determine and decide with their presence and actions [Words indistinct] development of the Assembly itself and the course of actions it will take. We have not received an express invitation to participate in the national dialogue. We do not believe that the dialogue as such will serve to resolve the present problems. We do not think that the dialogue will present concrete measures on the [word indistinct] problems the people have outlined, that is, the need to adopt urgent economic measures, the need to adopt urgent measures on the country's military, political, and economic defense. Therefore, those political parties have very little to contribute to solving Nicaraguans' present problems.

[Reporter] We understand that a commission will ask you to participate in the national dialogue. Will you?

[Cuadra] In general terms, our stance is that the MAP-ML must participate in all political events, representing the views of the Nicaraguan proletariat and denouncing or trying to prevent that the selling off of the revolutionary process or agreements that would hurt the development of this process and the interests of the Nicaraguan proletariat.

We know the position adopted by the political parties that have met, which basically make up the CDN. We also know that the PCdeN and the PSD have adopted a rather conciliatory position with regard to the other parties. Therefore, we believe that these groups are drafting a negotiating document. As I stated before, the goal is to corner the government and the FSLN, forcing them to negotiate on the Constituent Assembly and the revolutionary process itself, in view of the current fficulties which both the government and the process are facing. [end recording]

CRUZ EXPLAINS STATEMENT ON U.S. AID TO CONTRAS

PA082259 Managua Radio Noticias in Spanish 1200 GMT 8 Jan 85

[Text] Does Dr Arturo Cruz confirm or deny the report on what he allegedly said in Washington? According to that report, he said that he will work for the U.S. Congress renewing its support to the counterrevolutionaries. "The Awakening" newscast asked Dr Cruz about this:

[Begin recording] [Reporter] How do you justify your support for the counterrevolution?

[Cruz] Miss, you have not presented the question adequately. To be frank, I do not think I am a counterrevolutionary. Quite the contrary. I believe in the [words indistinct] of the revolution. However, I do not accept the fact that the revolution should be synonymous with Marxism-Leninism and, consequently, totalitarism. In my opinion, the revolution is the revolution that the FSLN advocated back in 1977 [words indistinct] mixed economy and pluralism. I advocate this revolution, therefore, I am not a counterrevolutionary. All my political actions, my modest contribution, have been aimed at reconstruction. The [words indistinct] of the revolution [words indistinct].

If you refer to the press reports on my latest statements, issued a few days ago, and other statements issued some time ago, you will see that I have stated the following:

First of all, [words indistinct] after the elections [words indistinct] hope that we were witnessing an honest opening that seeks the achievement of peace. Second, regarding U.S. support for the rebels [words indistinct] one side of the civil war which prevails in Nicaragua -- God willing, it will conclude soon -- all I said was that the unilateral withdrawal of that aid [words indistinct] new policy [words indistinct]. The appropriate thing would be for the United States to stop its aid to one of the sides struggling in the civil war, meaning the rebels, while the Soviet bloc stops its aid to the other side. Thus, everyone would seek an overall solution which, in addition to being a regional solution which contributes to the Central American stability, would also achieve a real social peace in Nicaragua. That is what I said.

[Reporter] Thank you, Dr Cruz. [end recording]

PSC'S FLETES ON U.S. AID TO CONTRAS, MANZANILLO

PA071557 Managua Radio Sandino Network in Spanish 1200 GMT 7 Jan 85

[Text] Adan Fletes Valle of the Social Christian Party [PSC] regrets that the U.S. Senate and the Reagan administration are debating whether or not to continue giving economic assistance to the counterrevolutionary groups that murder the Nicaraguan people. Speaking this weekend at a homage for Eduardo Rivas Gasteazoro, president of the Nicaraguan Democratic Coordinating Board [CDN], Fletes Valle commented that he was saddened by the way in which the U.S. Senate and the Reagan administration are still debating the continuation of financing for the former Somozist guardsmen who attack our people. Fletes, speculating on the talks that the revolutionary government has held with the United States in Manzanillo, said that as a result of these talks, the Reagan administration will withdraw its ambassador John Dimitri Negroponte from Honduras, while the Honduran foreign secretary has protested the presence of counterrevolutionaries in Honduran territory. The Social Christian leader urged the members of the CDN to get ready for the upcoming municipal and parliamentary elections, which, according to him, will have to be held after the National Assembly drafts the new constitution. We will remain alert to the course that the man who will assume power of the FSLN as president, will take, Fletes Valle stated.

CENSORING LEADS LA PRENSA EDITORS TO WITHDRAW PAPER

PA090224 Hamburg DPA in Spanish 0049 GMT 9 Jan 85

[Excerpt] Managua, 8 Jan (DPA) - For the second time this month, the Nicaraguan opposition newspaper LA PRENSA will not circulate due to "excessive censorship," according to its editors. The censorship office eliminated a large part of the material in the Nicaraguan newspaper's evening edition. A LA PRENSA spokesman stated that the Interior Ministry's censorship office eliminated material on an "asylum seeker" in the Costa Rican Embassy, whose return is being demanded by the Luis Alberto Monge government. He is Nicaraguan Jose Manuel Urbina Lara who, the LA PRENSA report states, was forced by the Sandinist government to "renounce political asylum." According to the eight column headlined report that was censored, the case will be taken to the OAS by the San Jose government. A photograph of President Monge was also censored. Another report on Violeta Barrios de Chamorro's presentation, as president of the LA PRENSA publishing house, of a writ of protection before the appeal courts was also censored. A letter Mrs Chamorro sent to Nicaraguan President-elect Daniel Ortega asking him to respect the law also suffered the same fate.

LOCATION OF MISURA CAMPS, RADIO MISKUT REVEALED

PA081312 Managua Domestic Service in Spanish 0300 GMT 8 Jan 85

[Text] The Miskitos, Sumus, and Ramas [Misura] and Nicaragua Democratic Force [FDN] bases and operation camps in Honduran territory were revealed today by the Nicaraguan Foreign Ministry in a note to Honduran Foreign Secretary Edgardo Paz Barnica.

The central Misura base is located outside the Nicaraguan town of San Carlos on the Coco River in Honduran territory. The camp commander is Hilton Fagoth, who is Steadman Fagoth's brother. The group's joint staff and approximately 200 members live in the camp.

The Special Atlantic Troops' camp is located in (Lasulingli), Honduras outside the Nicaraguan town of (Hasan) on the Coco River. The camp's commanded by Eduardo Papie, one of Misura's main leaders under Steadman Fagoth's orders. Approximately 200 mercenaries live in this camp.

The Valencia operations base is located 20 km from the (Abaspuck River) in Honduran territory. It is one of Misura's main logistic camps and approximately 300 counterrevolutionaries live there.

Rus Rus is located in the Honduran town of Rus Rus. This has become one of Misura's main operations bases where Steadman Fagoth frequently lives.

The Leymus camp, located in Honduran territory, is outside the Nicaraguan town of Leymus. Company A of the Honduran Armed Forces' 5th Infantry Battalion is located nearby. Approximately 150 mercenaries live in this camp.

The Transa camp is located on the Leymus River in Honduran territory. This is where contra leader Raul Tobias lives with 200 counterrevolutionaries.

Radio Miskut, the Misura mercernary radio station which operates from the Honduran town of Rus Rus, is located close to Steadman Fagoth's house in the town which has been called the white house. Francisco Oquino is in charge of its operation.

The Nicaraguan Government's note also listed some Misura leaders, including (Elmer Prado), who has worked as an official Misura spokesman and participated in press conferences held by Steadman Fagoth in Tegucigalpa; (Wycliffe Diego), political coordinator; (Tito Tejada), political adviser; (Phillip Mueller), of the so-called Misura Elders' Concil; (Eduardo Papie); (Raul Tobias); and (Alejo Teofilo), who handles Misura's political activities and lives in Honduran territory.

Mercenaries Lejan Mora, Samuel Mora, and Walter Carbajal are also mentioned; they are currently recruiting Miskitos in Mocoron to send them to fight in Nicaragua.

DEFENSE MINISTRY REPORTS CONTRA ATTACKS, CASUALTIES

PA082347 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 8 Jan 85

[Text] The Defense Ministry has announced that 12 counterrevolutionaries died over the weekend. The mercenaries were killed by Sandinist People's Army, EPS, soldiers in the sector of La Bodega, 15 km south of Mulukuku, Matagalpa Department.

In addition, mercenaries attacked with mortar and rifle fire the neighborhood of San Jose, Zelaya Sur; Rancho El Espino, Nueva Segovia Department; and (Cano de Montecristo), Zelaya Sur, killing a 4-year-old girl and wounding another person.

The report also revealed an ambush against a Construction Ministry, Micons, truck near Quilali, and an attack on a Nicaraguan Fishing Cooperative boat near Puerto Cabezas. The passengers in the Micons truck were tortured by the mercenaries.

ANTI-SANDINISTS STATE CONDITIONS FOR TALKS

PA082213 Panama City ACAN in Spanish 2115 GMT 8 Jan 85

[Text] Tegucigalpa, 8 Jan (ACAN-EFE) -- Spokesmen for the armed anti-Sandinist groups declared here today that they are willing to participate in a "great national dialogue" with the Nicaraguan Sandinist regime.

The stance of the anti-Sandinists is stated in a document circulated in Tegucigalpa and is signed by (Wycliffe Diego) of the Misura, Adolfo Calero of the FDN, and Alfonso Robelo of the Democratic Revolutionary Alliance, ARDE.

The document contains nine conditions for beginning the dialogue which, according to the signatories, "could lead to a stable and lasting peace in Nicaragua."

They demand a supervision of human rights to be carried out by an inter-American human rights commission and the reestablishment of the judicial branch as the sole administrator of justice.

They also demand the enactment of a decree that will establish the separation of state, party, and army; the abolishment of the parastate and paramilitary organizations; the depoliticization of the Army; and the reorganization and the reduction of the military service.

Other requests include the creation of a national police force and the publication of Nicaragua's secret agreements with Cuba, USSR, Libya, Laos, Vietnam, and international terrorist organizations.

BROOKLYN RIVERA SAYS INDIANS BEING MASSACRED

PA090046 Hamburg DPA in Spanish 2123 GMT 8 Jan 85

[Text] San Jose, 8 Jan (DPA) -- In an extensive interview published today by the San Jose newspaper LA REPUBLICA, Miskito leader Brooklyn Rivera said: "What the Sandinist government wants is to exterminate the Indian groups in Nicaragua's Atlantic region."

Rivera got lost in the jungles of southern Nicaragua for over a week, and there were fears for his life.

"I got lost in the jungles with other companeros, and we were attacked by Soviet MI-8 helicopters of the Sandinist government. However, after walking many kilometers, we finally managed to arrive at the Sarapiqui River," Rivera said.

The interview, which took place at the mouth of the Sarapiqui River, was published with accompanying photographs. Rivera, who met with Nicaraguan Government officials 1 month ago, said: "Now we will have to reconsider the situation with regard to the Sandinists, since it has become evident that they want to exterminate us Miskitos."

Rivera seems to be weak and sick, but does not have any bullet wounds.

The Miskito leader limps visibly, and is very bitter about the recent events: "We have been attacked since the first day of the year, but thank God we managed to get to the river and cross the border to Costa Rica."

Rivera reiterated: "The Sandinist government is massacring the Miskitos in the Atlantic region."

FDN LEADER PREDICTS SANDINIST DEFEAT IN 1985

PA050142 Paris AFP in Spanish 0122 GMT 4 Jan 85

[Text] Tegucigalpa, 3 Jan (AFP) -- The anti-Sandinist FDN said today that it is ready "to attack the homes of the nine commanders" that rule over Nicaragua and asserted that in 6 months it will have "between 35,000 and 40,000 fighters to defeat them militarily."

In a broadcast of the clandestine Radio 15 September, which transmits from Honduras, top counterrevolutionary leader Indalecio Rodriguez said that 1985 "will be the year of freedom's triumph and Nicaragua's new independence."

Rodriguez stated that the FDN currently has 17,000 rebels and some 20,000 support units.

"Soon," he said, "we will have a meeting with the commanders of all the regional forces right in the middle of Nicaragua to plan the recovery of the lands of the Pacific."

In that regard, the FDN spokesman told AFP here that its military presence is "evident" in many of Nicaragua's 16 departments, including Esteli, Madriz, Neuva Segovia, Jinotega, Matagalpa, Boaco, Chontales, Zelaya, and Leon, and that it acts underground in Managua and other cities.

The rebels also control, he said, large expanses of territory of the Departments of Matagalpa and Jinotega in the Honduran border region.

Rodriguez maintained, meanwhile, that "our fighters are prepared to destroy Soviet MI-24 helicopters."

"If the Sandinists are planning a new escalation in the struggle, we will escalate too," he said. "If they bring new arms we will use them too, and we will attack targets that we have never attacked before, even their own sanctuaries, the homes where the commanders and their close aides live."

In this context, Rodriguez said that to enter into negotiations "they must first find the right interlocutor, because no one can speak for us."

On the increased number of armed rebels, Rodriguez said that in the past few months there have been instances in which up to 250 men have joined their ranks at one time.

"We have recruited up to 1,000 men in a week, and in the next few months we will have between 35,000 and 40,000 fighters. With that number we will defeat the Sandinists militarily," he claimed.

ARDE CLAIMS SANDINISTS USING MI-24 HELICOPTERS

PA052108 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2230 GMT 4 Jan 85

[Text] The nine totalitarians of Managua have begun using Soviet-made MI-24 helicopters against our people in the southern mountains.

The Marxist-Leninist tyrants are indiscriminately bombing very close to the border area to scare the Costa Rican people in violation of sovereign Costa Rican territory. That territory has been violated on many occasions by the communist dictatorship of the nine puppets.

In spite of this, we control the entire southern border, including the San Juan River to its Atlantic mouth.

The helicopters have unsuccessfully attacked positions under our control. Our brave peasants are invulnerable to the rocket and machine gun fire from the Soviet-made helicopters.

The majority of the Democratic Revolutionary Alliance, ARDE, fighters are deep in liberated Nicaraguan territory where we control 56,000 square km. We advance and consolidate our positions. We have control of the Atlanta area, where the Rio Chiquito and Punta Gorda Rivers join near the important port of Bluefields.

The pro-Soviet Army has tried and failed on several occasions to force us out of this area. This is evidence of our peasant insurrection's advance in the struggle to liberate our fatherland.

CORRECTION TO ANNOUNCEMENT OF NEW CABINET

The following correction pertains to the item headlined, "New Cabinet, Government Organizations Announced," published in the 8 January Latin America DAILY REPORT, page P 14, paragraph four, from penultimate line:

...Statistics and Census and the Nicaraguan Institute of Territorial Studies will be part of this secretariat. (changing name of institute)

FIDEL CASTRO MEETS WITH FRANCE'S NUCCI

FL081200 Havana Domestic Service in Spanish 1100 GMT 8 Jan 85

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has met with Christian Nucci, French minister delegate for cooperation and development. Nucci visited Cuba heading a French delegation to attend the sixth joint Cuban-French commission meeting for cultural and scientific-technical cooperation. The meeting took place in a friendly atmosphere which characterizes relations between the two countries, and they discussed various aspects of the international situation and development of bilateral relations.

Later, Nucci held a press conference, during which he said that in his meeting with Fidel, he had presented him with a letter from the French president in which the ties of friendship between the two countries were emphasized. The letter also expresses hopes of giving new thrust to trade relations between Cuban and France. Nucci expressed his satisfaction on the meeting with Fidel, and said the main points discussed on Monday, at the joint Cuban-French meeting, were the establishing of a French cultural center in Havana and France's support to the Pierre Curie Institute of Tropical Medicine.

In statements to the press shortly before leaving for Paris, Nucci reiterated his country's position to accelerate bilateral cooperation relations, seeking to increase them both in quantity and quality.

ITALIAN COMMUNIST PARTY MEMBER MEETS CASTRO

FL081344 Havana Domestic Service in Spanish 1145 GMT 8 Jan 85

[Excerpts] Fidel Castro met with Gian Carlo Pajetta, Politburo and Secretariat member of the Italian Communist Party, who is in Cuba at the invitation of the party. The meetings were held in a cordial and friendly atmosphere, where they discussed matters of mutual interest.

Pajetta Meets Flavio Bravo

FL081820 Havana Domestic Service in Spanish 1700 GMT 8 Jan 85

[Text] Flavio Bravo, Central Committee memeber and president of the National Assembly of People's Government [ANPP], and Gian Carlo Pajetta, Politburo and Secretariat member of the Italian Communist Party, have held a friendly and fraternal meeting.

They discussed how the ANPP and its permanent committees function, the results from the recently held seventh regular ANPP session, and the importance of the laws which were passed, which included the general housing law and the labor code.

Also discussed at the meeting was the important closing speech made at that session by Commander in Chief Fidel Castro, first party secretary of the Central Committee and president of the Councils of State and Ministers.

FLAVIO BRAVO RECEIVES FRG PARTY DEPUTY

FL090220 Havana Television Service in Spanish 0100 GMT 9 Jan 85

[Text] The president of the National Assembly, Flavio Bravo Pardo, has received Mr Helmut Schaefer, liberal party [Free Democratic Party] deputy to the Bundestag, FRG, who is visiting Cuba at the invitation of the ANPP.

The conversation at the meeting was basically an exchange of experiences. Also present was Mr Joachim Kampmann, FRG ambassador to Cuba, and Jorge Lezcano, vice president of the ANPP.

FRENCH COMMUNIST PARTY MEMBER ON OFFICIAL VISIT

PA081421 Madrid EFE in Spanish 0605 GMT 8 Jan 85

[Text] Havana, 7 Jan (EFE) -- Gaston Plissonier, member of the Politburo of the French Communist Party, is on an official visit to this Caribbean island. Plissonier was invited to visit this island by the Communist Party of Cuba, and he plans to meet with Jesus Montane, alternate member of the party Politburo.

The French Communist leader plans to attend the upcoming 10 January inauguration of Nicaraguan President-elect Daniel Ortega, who was elected president in last November's elections, it was announced here.

BOLANOS RECEIVES YUGOSLAV PRESIDENCY MEMBER

FL082123 Havana Television Service in Spanish 1800 GMT 8 Jan 85

[Text] Mr Sinan Hasani, member of the Presidency of the Socialist Federal Republic of Yugoslavia, arrived today at Jose Marti International Airport. Hasani stopped over in our country en route to Nicaragua, where he will attend Commander Daniel Ortega's inauguration.

Also forming part of the delegation is Slavko Zecevic, director of the office for Latin America [as heard] of Yugoslavia's Federal Secretariat for Foreign Affairs.

Jorge Bolanos, vice minister of Cuba's Ministry of Foreign Relations, met them at the airport.

WHO DIRECTOR GENERAL MEETS COMMUNITY DOCTORS

FL090208 Havana Domestic Service in Spanish 2230 GMT 8 Jan 85

[Text] Invited by Commander in Chief Fidel Castro, president of the Councils of State and Ministers, Dr Halfdan Mahler, director general of the World Health Organizaton [WHO], has visited Cuba. During his visit, the distinguished visitor carried out a broad plan of activities that included meetings with family and community doctors in Lawton, where he expressed interest in the health program that he said was a contribution to the perfecting and strengthening of basic medical attention.

DPRK, VIETNAMESE GOVERNMENT OFFICIALS ARRIVE

FL081120 Havana Television Service in Spanish 1310 GMT 6 Jan 85

[Text] Pak Song-chol, vice president of the Democratic People's Republic of Korea, has arrived at Havana's Jose Marti International Airport, fulfilling an official invitation by the Cuban Government.

Jose R. Fernandez, vice president of the Councils of Ministers, welcomed the distinguished guest and his delegation.

After Pak Song-chol ends his visit to Cuba, he and his delegation will depart for Managua to attend the inauguration of Nicaragua's President Daniel Ortega.

Arriving on the same flight to Havana was Army General Huynh Tan Phat, State Council vice chairman of Vietnam. Division General Abelardo Colome Ibarra and other Revolutionary Armed Forces high officers met the Vietnamese delegation at the airport.

Rodriguez Meets Pak Song-chol

FL090154 Havana Domestic Service in Spanish 2230 GMT 8 Jan 85

[Text] Yesterday, Carlos Rafael Rodriguez, member of the Politburo of the Communist Party of Cuba and vice president of the Councils of State and Ministers, met with Pak Song-chol, member of the Politburo of the Korean Workers Party and vice president of the Democratic People's Republic of Korea. During the meeting, various aspects of international politics and relations between the two nations were discussed, including bilateral and multilateral activities.

CEREMONY HELD FOR AUSTRALIAN-NEW ZEALAND BRIGADE

FL081322 Havana Domestic Service in Spanish 1100 GMT 8 Jan 85

[Text] The official welcoming event for members of the second contingent of the Australian-New Zealand Friendship with Cuba Brigade was held at the Julio Antonio Mella international camp in Caimito, Havana Province.

Guillen Zelaya, vice president of the Cuban Institute of Friendship With the People summarized at the event the successes and work of the Cuban people and the aggressions from Yankee imperialism against the island of liberty.

Included in the 90-member Australian-New Zealand contingent were students, workers, professionals, officials, and even unemployed persons.

CUBAN CULTURE EVENT OPENS IN KRAKOW, POLAND

FL081812 Havana Domestic Service in Spanish 1503 GMT 8 Jan 85

[Excerpt] In the Polish city of Krakow, in the province of the same name, a Cuban Culture Week has been inaugurated. It was dedicated to the 26th anniversary of the triumph of the revolution. Cuban Ambassador to Poland Quintin Pino Machado gave the opening speech for the event. High-level officials of the regional party and government attended.

At the opening, a documentary film was shown on Fidel Castro's visit to Krakow in 1972 and several exhibitions were opened to the public at Nowa Ruda Cultural Center near the huge Lenin Steel Works.

INTERVIEW WITH PERUVIAN LABOR PARTY LEADER

PA040137 Havana International Service in Spanish 0000 GMT 3 Jan 85

[Interview with Dr Antonio Meza Cuadra, secretary general of the Peruvian Mariateguist Labor Party, by Havana Radio reporter Susana del Calvo; date and place not given -- recorded]

[Text] [Del Calvo] What does the 26th anniversary of the victory of the Cuban revolution mean to Latin America?

[Meza] I will try to summarize, although I would like to express everything I feel, my deep identification with the Cuban revolution and the importance of the construction of a new society in this country, which is a beacon for Latin America. Basically, the Cuban revolution has taught us the importance of the union of the people's forces, to transcend the tradition of universal laws in order to find our own paths, despite our common destiny and our particular differences.

From the assault on the Moncada Barracks on 26 July and the landing from the Granma, we have learned a lot.

After reading a beautiful article written by Manuel Pineiro, I fully agree that the challenge Latin America has to face should make the traditional communist parties of our region realize that they must reach an understanding with other revolutionary organizations willing to sacrifice, to offer their lives if necessary, to transform our societies.

In this respect, it is rather easy to understand that Latin America can be considered a Pandora's box, where anything can happen, because those who are committed to the transformation of our societies are determined to follow the path that Fidel Castro and the Cuban revolution opened for us and also the FSLN, which despite its limitations and difficulties, is rebuilding a country which, like Cuba during the pre-revolutionary period, went through very difficult moments.

We must definitely stop thinking that we can have changes without facing the sworn enemies of change in our society, who make private property and means of production their fundamental means of subsistence. That is why we must be prepared to face violence, no matter how much we dislike it. We are not the ones to start violence, but if necessary to transform our society, we must be ready to face the arms and methods used by Fulgencio Batista, Anastasio Somoza, Pinochet in Chile, Bordaberry in Uruguay, and Videla in Argentina. When the Latin American people decide to build a new society, the enemies of the people, these intermediary agents of imperialism, will not give us a chance; they will oppose us with blood and fire, and their hands will not hesitate to kill men, women, and children. In the face of the slaughter, of the population, we must have the same capacity to fight for and defend our ideas and to build for Latin America what Cuba has built, what Nicaragua is trying to build, and what El Salvador, Guatemala, and I hope Peru, will try to build.

1985 ECONOMIC PLAN STRESSES WORKERS MEETINGS

FL072114 Havana Television Service in Spanish 1800 GMT 7 Jan 85

[Summary of Central Organization of Cuban Trade Union's [CTC] appeal dealing with discussion on the 1985 technical and economic plan]

[Text] On the forthcoming Cuban Communist Party's third congress, the [word indistinct] is readying itself to discuss the 1985 technical economic plan.

The discussions are being held under special circumstances because they will be based on recently made statements by Commander in Chief Fidel Castro in his speeches at the first national forum on energy and the seventh session of the National Assembly of the People's Government [ANPP].

On both occasions, Fidel suggested following a plan suitable to our realities and corresponding to Cuba's strategic objectives, industrialization, diversification of exports, savings, and import substitution, among other areas.

The 1985 plan contains restrictions in the allocation of fuels, oil, electricity, and in supplying resources and raw materials. It is necessary to make maximum use of all resources, to use them in the most efficient and optimal manner in order to comply with this year's economic program. Such restrictions will not affect the living standard attained by our people, because not only are normal food and industrial supplies assured, but it is forecasted that there will be an increased number of products off of the rationing lists.

The economic plan establishes priorities in investing, in accord with government and state objectives and in strict compliance with international obligations.

Each enterprises' plan must be discussed at the work site, at worker collective locations, in order to comply with it and transform the plan into a worthy salute by all the nation's workers to the party's third congress.

The union chapters and managers, who will attend the assemblies to discuss the technical-economic plan, must guarantee to provide the workers with concrete information on the characteristics, problems, and efforts which they must carry out to facilitate completion of the plan within the established time period and with the allocated resources.

Each assembly must declare itself for saving by analyzing what can be saved, what methods can be used, and who will execute these tasks, and by observing what this represents for the economy. The discussion process of the technical-economic plan will be characterized by a vivid analysis where the creative initiative of the worker collectives is manifested by finding solutions to problems, difficult as they may seem. To this end, measures will be agreed to, which will outline the steps to follow at each work site in order to consistently carry out the technical-economic plan.

These measures will constitute the emulation obligations to salute the Cuban Communists' most important meeting, at which the organization and development of special emulation for enterprise profitability and model unit movement will play an important role.

The 1985 economic plan is characterized by being much more realistic, and will result in a type of work where cooperation among organs and the workers' conscious, combative, and enthusiastic participation prevails.

This meeting process is an assurance that we will continue to advance economically, and simultaneously, along with defense of the socialism's conquests, raise the banner of production and defense.

The holding of the party's third congress asks of the workers, unions and administrative leaders a special dedication to saving which will translate into a resounding economic success.

BARBADOS

PRIME MINISTER DELIVERS STATE OF NATION ADDRESS

FL080206 Bridgetown CANA in English 1658 GMT 7 Jan 85

[Text] Bridgetown, Barbados, Jan 7, CANA -- The Barbados economy is projected to record 2.4 per cent real growth in 1984 after two years of stagnation, Prime Minister Tom Adams said last night.

In a televised state of the nation address, Adams said while there were many adverse factors like increased unemployment over the past year, the year wasn't quite so much without hope. Our foreign reserves rose by nine million dollars (one Bdos dollar: 50 cents U.S.) during the year and government revenue rose from 518 million to 564 million dollars, he said.

Inflation fell to less than five per cent, the lowest rate for many years. The number of tourists coming to Barbados increased by 10 per cent from January to October 1984, compared to the corresponding period in 1983, and over the same period our exports rose from 539 million dollars to a new record of 666 million dollars, the prime minister added.

Adams said earnings from exports of manufactured goods last year exceeded earnings from tourism, the number one industry, expected to net a record 550 million dollars in 1984. With the solid achievements of the past year, we can look towards the immediate future with some optimism, he said.

Adams said the 17.8 per cent level of unemployment posted for the first half of 1984 was unacceptably high and government's aim was to see employment levels up again to over 100,000 persons, as in 1981. There were indications last year that the criteria for reducing unemployment were being met, Adams said, pointing to the improvement in the economy with higher foreign reserves and increased government revenue. The number of Barbadians out of work increased from 17,500 at the end of 1983 to 19,000 in June 1984. Adams said the government's extensive employment-generating public works programme in 1985 would mainly focus on improving transport facilities, including completion of a modern bus terminal costing 3.6 million dollars and a 60 million dollar road rehabilitatin programme.

Construction of a new 60 million dollar headquarters for the Central Bank will be completed this year and work will start on new headquarters for the Insurance Corporation of Barbados and the Barbados Development Bank (BDB), both state-owned enterprises. Adams also announced plans for the construction of a 24 million dollar fishing harbour in the capital, Bridgetown.

Discusses Crude Oil Production

FL080226 Bridgetown CANA in English 1644 GMT 7 Jan 85

[By Reudon Eversley]

[Text] Bridgetown, Barbados, Jan 7, CANA -- Barbados, heartened by a continuing increase in crude oil production that met half its total requirements last year, is planning to become fully self-sufficient, Prime Minister Tom Adams said last night.

Adams made the disclosure in a national televised address in which he announced that total crude oil output in 1984 was 630,000 barrels, up from 380,000 in 1983. Barbados has an annual oil requirement of 1.2 million barrels.

One of the success stories of 1984 has been petroleum production combined with energy conservation, Adams said. Domestic oil production has been so impressive that at the end of the year we were producing half of our petroleum requirements and have expanded our proven reserves to the point where we can now plan to become completely self-sufficient. Adams gave not figures on the reserves.

Barbados intensified its efforts to exploit its petroleum resources in 1982 when the government purchased the assets of Mobil Oil and established the Barbados National Oil Company (BNOC). The island's oil import bill has fallen steadily since 1981. That year, oil imports, mainly from Venezuela, were valued at 92.6 million dollars (one Bdos dollar: 50 cents U.S.) By 1983, the figure was down to 56.2 million dollars.

Adams said Barbados exported 45,000 barrels of last year's production to Curacao because of the lack of storage space, and more will have to go there this year. He also said Barbados was producing more diesel fuel than it needs.

Adams said natural gas production had also increased, but he gave no figures. He announced plans for the construction of a liquified petroleum plant this year to reduce local dependence on imported bottled gas.

The Barbados National Oil Company has continued to make a handsome profit on the production facilities taken over from the Mobil Corporation in June 1982, and the local refinery made a very substantial profit in 1984, he said. The government is accordingly, as from the 15th of this month, restructuring the pricing system for refined petroleum products so as to shift some of that profit towards the small gasolene stations.

Adams did not mention the size of the profits of the BNOC or the Mobil-owned reifnery nor did he give any other details of the new pricing system to come into effect shortly.

Urges More Trade With Trinidad

FL081400 Bonaire Trans World Radio in English 1130 GMT 8 Jan 85

[Text] Barbados Prime Minister Tom Adams has invited Trinidad and Tobago's leader Prime Minister George Chambers to visit Barbados for discussions on improving relations between their countries.

In a New Year's message Sunday night, Mr Adams said his government put a high priority on improving trade in goods and services with Trinidad and Tobago. He described the two-island nation as the country with which Barbados has to closest commercial and financial links. This comes in the midst of rather cool relations between the two countries, linked to disagreements over the Grenada intervention and trade protectionism.

Mr Adams also made reference to increases in oil production in Barbados, noting that his country plans to become completely self sufficient in oil.

GRENADA

BRIZAN ON LOW SALES OF AGRICULTURAL PRODUCTS

FL081956 Bridgetown CANA in English 1802 GMT 8 Jan 84

[Text] St George's, Grenada, Jan 8, CANA -- Grenada's chief export crops -- cocoa, nutmeg and bananas -- performed dismally during 1984, new Agriculture Minister George Brizan has reported.

The banana industry, he said was virtually in a state of collapse, buffeted by disease and poor prices occasioned by the low value of sterling. Nutmeg and cocoa were depressed and in financial difficulties, the former fetching its lowest world market price in 11 years and the latter also a victim of sterling's fall. Exports of bananas fell to 17.5 million pounds last year, well down on the 31.5 million pounds in 1979, spelling danger for the industry which provides employment for more than 5,000. Brizan also cited rising costs of inputs such as fertilisers, insecticides, boxes, and transportation among reasons for the drop in production.

He indicated that as a result of the continuing drop in value of the British pound, the currency in which Grenada is paid for its bananas on the British market, the island lost in the region of 5.4 million E.C. dollars (one EC dollar: 37 cents U.S.) during the last four years in earnings from the industry.

He also said the financial operations of the Grenada Banana Cooperative Society (GBCS), which is the body responsible for paying farmers for their produce, showed a loss of 2.1 million E.C. dollars between 1979-83 becuase of heavy subsidisation fuelled by the decline of sterling. The reserves of the GBCS, he said, dropped to 105,000 E.C. dollars in 1983 from 2.5 million dollars in 1977.

Brizan said that the high incidence of disease such as moko and leaf spot has resulted in poor quality fruit and as such the possibility of Grenadian bananas facing a suspension in terms of export to the British market is real.

On nutmeg, he said the industry has been in a depression for the past five years with 1984 marking the second consecutive year when the Grenada Cooperative Nutmeg Association (GCNA) failed to make a profit in trading. The agency lost 576,000 dollars as compared to the 4 million dollar profit registered in 1978.

1984 was the first year in history that the GCNA had to receive a grant fund to assist it to pay bonus. It received 385,000 dollars from the European Development Fund under the Stabex Scheme, he said. Noting that the price fetched for nutmeg was 1.41 E.C. dollars per pound in 1984, the lowest in 11 years, Brizan said the GCNA now has some 6.5 million pounds of nutmeg in stock.

He also reported that for mace, which is a by-product of nutmeg, last year was the lowest in terms of production for the past nine years, with figures dropping from 673,000 pounds annually for the period 1976-83 to 308,000 pounds.

The irony of the situation is that the low production of mace in 1984 is taking place at a time when the price is 4.50 EC dollars per pound, the highest since 1975, he said.

Like bananas, the cocoa industry is in financial difficulty because of the low exchange rate of the pound. During the 1980-83 period the loss of earnings on a yearly basis is estimated to be 7.7 million dollars as a result of sterling's value alone. Brizan said that the value of the sale of cocoa has fallen from a 12 million dollar surplus in 1979 to a loss of 134,000 dollars in 1983.

There are also problems, Brizan said, with non-traditional export crops, fruits and vegetables, sugarcane cultivation, livestock, minor spices, and coconut.

He announced that the government is in the process of making an assessment of the agricultural sector, which provides a third of gross domestic product, and a full analysis of the findings including plans for rehabilitating the sector, would be presented shortly to farmers.

INDEPENDENT OBSERVERS TERM ELECTIONS 'FREE, FAIR'

FL082212 Bridgetown CANA in English 2145 GMT 8 Jan 85

[Text] St George's, Grenada, Jan 8, CANA -- Observers sent to Grenada by two international human rights groups say the general election that restored democracy to the island last month was fair and free.

However, in a report written for the groups, the International Human Rights Law Group and the Inter-American Institute of Human Rights, Larry Garber and Enrique Vazquez-Gohrels said that there were elements of unfairness although these did not have an effect on the election. The most troubling of these elements, they said, was the political support given to the victorious New National Party (NNP) by Caribbean governments, and the material support of unnamed foreign non-governmental organisations. The observers noted that the election occurred with foreign troops present and with citizens of foreign countries involved in administering the electoral process.

Another cause for concern, they said, was the sacking of Roy Chasteau as supervisor of elections weeks before polling day on the grounds of ill-health, and the independence of the holder of the post with respect to the governor-general.

Garber and Vasquez-Gohrels rejected allegations of fraud by the Grenada United Labour Party which lost 14 of the 15 seats to the NNP, and said we doubt the results were significantly affected by the alleged harassment claimed by the Maurice Bishop Patriotic Movement, the third party in the race.

The minimal conditions necessary for a fair election, as set forth in the law groups' guidelines, existed in Grenada during the electoral campaign, the observers wrote. There were no significant limitations placed on the ability of Grenadians to participate in the electoral process. There was an adequate period for voters to register although a further extension may have been appropriate, given the initial hesitancy of some Grenadians to submit to the registration process. Parties and candidates could organise and communicate their messages freely. Given the small size of Grenada, the period allowed for political organising and political campaigning was adequate to inform Grenadians about the candidates and issues.

The law group is a non-profit, Washington-based organisation that does legal work free of charge for non-governmental organisations and individuals. The institute, which is based in Costa Rica, serves as an educational and promotional centre for human rights in the Americas.

JAMAICA

MINISTER SAYS 1984 'BEST YEAR' FOR TOURISM

FL082054 Bridgetown CANA in English 2027 GMT 8 Jan 85

[Text] Kingston, Jamaica, Jan 8, CANA -- Jamaica's tourist arrivals increased six per cent last year, and estimated gross earnings jumped nine per cent, providing figures that made the best year for the industry, according to Tourism Minister Hugh Hart.

We welcomed some 831,000 visitors, which represented a six per cent increase (over 1983), Hart told Caribbean tourism officials attending a conference here aimed at strengthening cooperation in the industry. In terms of gross foreign exchange revenues, we estimate our earnings to be 435 million dollars (U.S.) from tourism -- a nine per cent increase over 1983, the minister added.

With Jamaica severly short of foreign exchange, tourism has taken on added importance in recent years as the local bauxite-alumina industry remains in a soft state because of recession and the sluggish performance of other major exports. In fact tourism officials often stress that the industry is now the country's top hard currency earner, while those in bauxite-alumina point out net earnings from theirs remains higher. Last year, net earnings from bauxite reached U.S.230 million dollars, officials say.

Hart said achievements in tourism were due to the restoration of Jamaica's image in the marketplace over the last four years as a prime destination. After the ups and downs of the mid 1970's, Jamaica had a record tourism performance in 1979, but the industry plunged 10 per cent in 1980 during the turbulent election campaign that brought the present Edward Seaga administration to power. It has been on a steep climb upwards since 1982, but questions have been raised about the proportion of the earnings that reaches the Central Bank. Full figures for 1984 have not yet been released. In 1983, the Central Bank from estimated gross earnings of just under U.S.400 million dollars, garnered under U.S.121 million dollars, and another U.S.238.8 million dollars was estimated to have moved through the commercial banks under the parallel market exchange system that was in force then. On these assumptions, in the region of U.S.30 million dollars [figure as received] was either sold on the black market or leaked out of the country.

The Seaga administration has in the past accused hoteliers and other industry operators of skimming off some of their earnings paid from outside the country and keeping it abroad. To deal with that situation, the government last year set up a special account in the United States into which payments to individual hoteliers had to be made. The hotels are later reimbursed in Jamaican currency and have access to a percentage of their hard currency with which to make required purchases. Officials here say that the system should cut down the leakage of foreign exchange from the industry.

NETHERLANDS ANTILLES

ARUBA EXECUTIVE COUNCIL RESIGNS AT CROES' REQUEST

WA081800 The Hague ANP NEWS BULLETIN in English 27 Dec 84 pp 3-4

[Text] Oranjestad, December 27 -- Aruba in the Netherlands Antilles faced a political crisis over Christmas after the Caribbean island's entire Executive Council resigned. The six-man governing body stepped down on Monday at the request of Betico Croes, leader of the majority Movimentu Electoral di Pueblo (MEP) party, after the party failed to gain a quorum at an open meeting of the Aruban parliament. The meeting was called to discuss the executive's proposals to cut government spending by 16 million Antillean guilders.

Aruba, the second-largest of the six islands making up the Netherlands Antilles, is facing a financial crisis because of the Exxon oil company's plans to close its refinery there in March.

Croes said on Aruban radio that he had called on the executive, all members of his own party, to resign, and would personally approach the second-largest party, the opposition Aruban People's Party (AVP), to form a new executive. AVP leader Henny Eman told ANP his party supported the request and would put forward a rescue plan for Aruba. Blaming Croes for the current economic crisis, he added: "The MEP has finally realised that it cannot continue with a 210 million guilder deficit". Aruba is due to gain separate status from the other islands on January 1, 1986, with a view to full independence ten years later. Croes said the outgoing executive would continue to function until a new one could take over.

ST VINCENT AND THE GRENADINES

OPPOSITION LEADER CATO WITHDRAWS FROM POLITICS

FL081736 Bridgetown CANA in English 1713 GMT 8 Jan 85

[Text] Kingstown, St Vincent, Jan 8, CANA -- Leader of the oppostiion and former Prime Minister Milton Cato has quit politics. Cato, 69, has resigned as a member of parliament for the East St George constituency, forcing a by-election here in three months time. He has been involved in national politics for 30 years and recently indicated he was giving up the leadership of the Labour Party. This has been a very long time and I thought it appropriate now to return to private life, he told reporters last November.

Cato, a lawyer, took the country into independence in October 1979. Last July, his party was soundly defeated in a general election.

TRINIDAD AND TOBAGO

CHAMBERS URGED TO ACCEPT BARBADOS' INVITATION

FL082040 Bridgetown CANA in English 1955 GMT 8 Jan 85

[Text] Port-of-Spain, Trinidad, Jan 8, CANA -- Trinidad and Tobago's prime minister, George Chambers, has been urged to accept the olive branch offered to him by Barbados counterpart Tom Adams. In an editorial, THE EXPRESS newspaper has asked Chambers to visit Bridgetown in accordance with an invitation extended by Adams in a televised state of the nation message on Sunday night.

Adams invited Chambers to the official opening of the Arawak Cement Company, which is a joint venture between Barbados and Trinidad and Tobago. The Barbados prime minister also wants to discuss difficulties in relations between the two countries, which started with a diplomatic row over the Octover 1983 U.S.-led invasion of Grenada and since exacerbated by exchanges over trade and air transport.

On the face of it, said THE EXPRESS, there is absolutely no need for Mr Chambers to go to Barbados merely to take part in the opening of a cement plant, so clearly the occasion, in Mr Adams' mind, is to be used to mend fences. In spite of any misgivings he might have, however, continued the editorial, we would urge Mr Chambers to accept the offer in the absence of a counterproposal from him as to how the gulf between the two countreis can be breached.

The paper said that it will take more than diplomatic words to re-establish co-operation and compromise between the two countries. It notes the continuing difficulties over the Barbados Government's attitude to BWIA, Trinidad's state-owned airline. Another problem, the paper added, was the conflicting positions taken by the two countries over the 1983 U.S.-led invasion of Grenada, which resulted in Trinidad and Tobago's high commissioner to Barbados and the Eastern Caribbean being recalled at Adams' request. The envoy, Basil Pitt, has still not been replaced, while Barbados has had to delay the appointment of a high commissioner to Port-of-Spain.

The editorial ends on a conciliatory note. It points out that a special relationship between Trinidad and Tobago and Barbados does exist and that it is important for Caribbean states to do everything in their power not to sunder but to strengthen those ties. Caricom will not rise above its present difficulties, concluded THE EXPRESS, if two of its major members find themselves unable to leave bitterness behind.

BOLIVIA

CABINET MINISTERS SIGN COLLECTIVE RESIGNATION

PY091341 La Paz Cadena Panamericana in Spanish 1130 GMT 9 Jan 85

[Text] All the ministers yesterday signed a letter of collective resignation to give President Hernan Siles Zuazo a free hand to reshuffle his cabinet. The ministers' resignations, which show that there is speculation [as heard] and that mistakes have been made, were sent to the Foreign Ministry and will only be delivered to the president once conditions are appropriate and favorable for him to appoint his new aides. Siles Zuazo will now concentrate on resolving his cabinet crisis after canceling his trip to the inauguration of Nicaraguan President-elect Daniel Ortega. The National Congress did not authorize him to leave. Meanwhile, sources close to the president and those who want the law enforced have not been able to reach an understanding on designating candidates for ministers because two sectors are claiming the right to assume responsibility in the remaining stage of the current government.

CHILE

MAPUCHE INDIAN LEADERS ARRESTED IN TEMUCO

PY051731 Madrid EFE in Spanish 1349 GMT 5 Jan 85

[Text] Santiago, Chile 5 Jan (EFE) -- A petition has been submitted to the Temuco appellate court in favor of the Mapuche Indian Association, AD-Mapu, leaders. According to the petition, leaders of the Mapuche Farmers and Handicraft Artist Association have been arrested and placed at the disposal of the Temuco Military Court. The town of Temuco is near the Indian reservations 700 km south of Santiago. The leaders, who have been arrested under the arms control law, have been identified as AD-Mapu President Jose Santos Millao, AD-Mapu General Secretary Rosamel Millaman, and national leaders Maria Traipe, Manuel Pilquil, Domingo Marileo, and Ana Llao Llao. According to the military court, another six persons were arrested but they were released for lack of evidence. The information disclosed today in Santiago adds that the Mapuche Indian leaders were arrested of 28 December by Carabineros, Investigation Department, and National Intelligence Center (CNI) agents.

MAPU LEADER PLACED AT DISPOSAL OF COURTS

PY082354 Santiago Domestic Service in Spanish 2200 GMT 8 Jan 85

[Excerpts] A leader of an armed branch of the outlawed United Popular Action Movement [MAPU] has been placed at the disposal of the courts. This information was announced by acting Minister Secretary General of Government Army Colonel Carlos Krum. This subversive criminal has been identified as Jose Luis Medina Soto. Soto was arrested while he was carrying forged identification papers, Marxist literature, and weapons concealed in a backpack.

DOMINICAN REPUBLIC

PRESIDENT REPLACES NATIONAL POLICE CHIEF

FL082025 Santo Domingo Radio Comercial Network in Spanish 1600 GMT 8 Jan 85

[Text] President Salvador Jorge Blanco unexpectedly today replaced the chief of the national police and made other changes in high-ranking military officials. Major General Manuel de Jesus Tejeda Duberge was replaced in his post as chief of the National Police by Major General Ramiro Matos Gonzalez, who had been serving as secretary of interior and police.